Evaluation report
January 2022

K-12 Public School Buildings

Office of Performance Evaluations
Idaho Legislature

Office of Performance Evaluations

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From the director

January 31, 2022

Members
Joint Legislative Oversight Committee
Idaho Legislature

Policymakers asked us to assess the condition of K-12 public school buildings statewide and identify challenges and opportunities with regard to the maintenance, funding, and financing of those buildings. As part of our study, we were surprised to learn that the last statewide facility condition assessment was done nearly 30 years ago.

Our surveys of school districts found that many school buildings need repair or replacement. We recommend that the Legislature consider commissioning a statewide facility condition assessment. The assessment would give the Legislature an accurate and complete picture of building conditions and identify schools with the most pressing needs. The Legislature and districts could then use this information to prioritize deferred maintenance, replacement, and construction of additional schools.

I would like to thank the State Department of Education, school districts, charter schools, and the School Board Association for their assistance on this study.

Sincerely,

Rakesh Mohan

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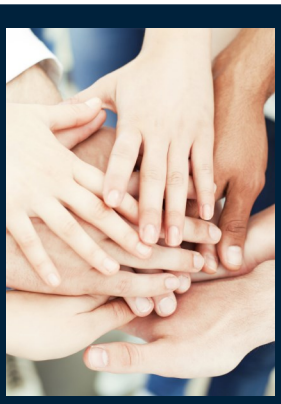
Formal responses from the Governor and Superintendent of Public Instruction are in the back of the report.



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Contents

Executive summary

Why we were asked to do this evaluation.

The Joint Legislative Oversight Committee directed us to conduct an evaluation to determine conditions of public school buildings statewide and to estimate the ability of school districts and charter schools to adequately fund maintenance, repair, and replacement of their buildings. Requesters of the study also wanted to know how special property taxes, such as supplemental levies and plant facilities levies, affected the passing of bonds.

What we found.

Statewide information on the condition of public school buildings does not exist. School districts are required to submit 10-year maintenance plans to the state detailing conditions of their buildings and upcoming maintenance projects, but few districts submit plans. Of those that do, they contain varying and limited degrees of detail. To overcome the lack of data, we sent a series of surveys and follow-up questionnaires to school district and charter school administrators. Additionally, we used financial data collected by the state to analyze the sufficiency of building maintenance allocations made by school districts and charter schools.

School districts most commonly rate the conditions of the buildings as "fair," meaning they will require maintenance in the near future.

In one survey to school district administrators, respondents most frequently ranked the conditions of their school buildings as "fair" regardless of school type. The recurring "fair" ratings

12 district administrators said they would need to build a minimum of 19 new schools to accommodate student growth.

indicated that there would be needed maintenance and repairs on the buildings, either presently or in the near future, to prevent school buildings from degrading into a worse condition over time. The smaller number of buildings rated as "poor" have even more pressing needs, including possible replacement.

In a follow-up questionnaire with 12 districts, administrators said that 53 percent of their schools would need to undergo significant maintenance and repair over the next year, with 20 percent of schools needing to be phased out entirely. District administrators stated that a minimum of 19 new schools would need to be built in the next 10 years to accommodate student growth.

The use of supplemental levies has increased since 2006, but their effect on bond passage rates is unclear.

The number of school districts with supplemental levies has increased since 2006, going from 57 school districts in 2006 to 92 in 2020. Part of the increase in supplemental levies can be explained by the reduction in discretionary funds received by school districts over this time period.

What effect the increased use of supplemental levies has had on passing district bonds is unclear. Of the 120 bonds proposed between 2011 and 2020, all but nine bonds were proposed in districts with an active supplemental levy. When including another special property tax levy, plant facilities levies, only four bonds were proposed in districts without a special property tax levy.

The cost factor for calculating school replacement value has remained unchanged since 2008.

Allocation requirements for school building maintenance are outdated and insufficient.

Idaho Code requires school districts to allocate two percent of building replacement value on maintenance annually. The cost factor for calculating school replacement value has remained unchanged since 2008. As a result of using an old cost factor, estimated building replacement values are outdated and do not reflect the actual cost of building a new school. Furthermore, the two percent allocation requirement is below national best practice standards.

Districts use a mix of state and local dollars to pay for school maintenance allocation requirements. If the replacement building cost factor and building maintenance allocation requirements in Idaho Code were to be updated, the amount needed to be allocated annually by districts would increase. Most of this increases in maintenance allocations would need to be paid for by local dollars under current funding distributions.

Idaho spends less than other states on maintaining school buildings.

Idaho ranks near the bottom nationally for funding school building maintenance, both on a per-student and per-building gross square footage basis. By these same metrics, Idaho spends the least amount on school buildings when compared to neighboring states. Despite its low rankings, Idaho is not the only state that struggles to fund school buildings. A 2021 study by the National Council on School Facilities found that every state is expending less than recommended on school buildings.

Charter schools reported better conditions of their buildings than school districts.

In a survey of charter school administrators, 86 percent rated the condition of their building as either "excellent" or "good", with no administrator rating the condition of their building as "poor."

While charter school buildings were rated better than their school district counterparts, 63 percent of charter school administrators said their school did not have adequate specialized education spaces, such as libraries, computer labs, and science labs. In addition, 44 percent of charter school administrators said they do not have the space to accommodate the forecasted enrollment at the charter school in 10 years.

86% of charter school administrators rated their buildings as "excellent" or "good."

Next steps

Our survey gave us broad insight into the conditions of school buildings statewide. However, it cannot tell us precisely what maintenance work needs to be conducted at schools nor can it tell the cost of doing the needed repairs. Using available information,

we could only calculate rough cost estimates of doing the repairs.

Policy consideration: the Legislature should commission a statewide facility condition assessment of school buildings.

A statewide facility condition assessment of schools would inform the Legislature of the true conditions of school buildings statewide and the costs of needed upgrades and repairs. A facility condition assessment is a systematic inspection of facilities using a standardized method for recording observations. These assessments are typically conducted by trained industry experts and can take up to several years to complete.

The Legislature last commissioned a statewide facility condition assessment of school buildings in 1993.

The Legislature last commissioned a statewide facility condition assessment of school buildings in 1993. In the report from the 1993 assessment, it was found that school districts statewide had a total of $699.5 million ($1.3 billion when adjusting for inflation to 2020 dollars) in needed building repairs, additional facilities, or upgrades. A statewide facility condition assessment is required to get a similar estimate of these costs today.

A facility condition assessment would also identify districts or individual schools with the most pressing needs, allowing the Legislature to prioritize and track the status of these buildings over time to ensure that these needs are met.

Peck Elementary School of Orofino Joint School District

Introduction 1

Legislative interest

During the 2021 legislative session, the Joint Legislative Oversight Committee directed our office to conduct an evaluation on funding and practices for maintaining, replacing, and building K-12 school buildings throughout the state. See appendix A for the evaluation request.

In the evaluation request, legislators raised concerns about the ability of school districts to fund school buildings through bonds. Requesters noted that districts with rapidly growing populations must continually ask voters for more bonding authority to keep up with growth, while districts with no or slow growth may have aged buildings and struggle to pass bonds.

In addition, requesters were interested in understanding how special property tax levies, such as supplemental and plant facilities levies, influence the ability of school districts to pass a bond.

Requesters wanted to know the gap between where Idaho schools are in terms of condition and funding and where they should be.

Prairie School of Prairie Elementary School District

Evaluation approach

This evaluation is intended to determine whether school facility funding and financing have been sufficient to meet the needs of school buildings statewide, as well as to create an understanding of the conditions of school buildings statewide. See appendix B for the evaluation scope.

A facility condition assessment is ideal to fully understand conditions within school buildings. A facility condition assessment involves physically inspecting a building and its systems, such as HVAC, electrical, and security. Facility condition assessments are conducted by trained industry experts and can take up to several years to complete. As such, we did not include a facility condition assessment in our scope.

We designed our evaluation methodology to use existing data sources when available, such as school district and charter school funding and expenditures. When we discuss dollar figures throughout the report, we adjust all figures for inflation to 2020 dollars. To understand building conditions and budgeting practices, we surveyed school district and charter school administrators.

All dollar figures in the report are adjusted for inflation to 2020 dollars.

The physical conditions, challenges, and revenue streams for charter schools are different from public school districts. To account for these differences we address these subsystems separately in our report. For a full overview of the report methodology, see appendix C.

Albion Elementary School of Cassia County Joint School District

Background

Public education is a fundamental provision of state government. Although every state constitution has an education article, the provision and funding of education varies among states. Idaho administers public education through school districts and charter schools. In this section we will briefly go over the public school education system as well as legal challenges and changes to the methods used to fund public school buildings.

Idaho public school system

Idaho's K-12 public education system consists of two subsystems: school districts and charter schools. Both school districts and charter schools are publicly funded but have differences in operation and enrollment.

School districts and charter schools are responsible for building, procuring, and maintaining their school buildings. Public school buildings in Idaho, including both school district and charter schools, comprise 46 million square feet of building space.

School districts

As of 2021, there are 115 school districts in the state of Idaho, consisting of more than 600 schools. The 115 school districts have an average daily attendance of 274,000 students.

Traditionally, districts were the governing bodies implementing public education, with several districts predating the formation of the state. Locally elected boards and superintendents oversee school districts. Although districts are governed locally, the state plays a large role in their operation through the distribution of funds and curriculum.

In chapters 2 through 5 in this report we will go over conditions at and expenditures on public school buildings at school districts.

Charter schools

The state created the charter school program in 1998 and has seen continual growth since its inception. As of 2021, 31,576 students attended 66 public charter schools in the state. Although private boards operate charter schools, charter schools require either state or school district authorization to operate.

Idaho has
46 million
square feet of public school buildings.

Charter schools are subject to the same rules and regulations as school districts. Chapter 6 of this report will discuss charter school buildings in detail.

In 2005 the Idaho Supreme Court addressed the issues of safe schools and inadequacies of funding mechanisms.

Legal challenges

The state has faced legal challenges in the past over the adequacy of school building funding mechanism. In 2001, the Fourth District Court of Idaho found that the primary method of funding public education buildings through loans was inadequate for the Legislature to meet its constitutional duty.

The Idaho Supreme Court upheld the District Court's decision in 2005. The Supreme Court ruled that the Idaho Constitution requires the Legislature to provide a thorough education for Idaho's public-school students in a safe environment conducive to learning, and that the Legislature was not upholding its constitutional duty due to inadequacies of funding mechanism available to districts.

In direct response to the Idaho Supreme Court ruling, the Legislature amended methods to fund school buildings with House Bill 743 in 2006. House Bill 743 included of four major components:

- supplemented lottery dollars given to districts for facility maintenance and repair
- created the Public Schools Facilities Cooperative Funding Program to assist districts unable to pass a bond to repair or replace buildings with safety issues
- required districts to set aside two percent of building replacement value annually for maintenance and repair
- removed artificial limits on the bond levy equalization support program

In addition to HB 743, the Legislature eliminated the maintenance and operations local property tax levy for districts in 2006. The Legislature replaced the lost property tax levy with more state revenue to districts. The Legislature increased state sales tax from 5 to 6 percent to generate increased state revenue.

School district building conditions

2

Idaho is constitutionally required to maintain adequate school building facilities across the state. To properly manage the state's obligation, the state needs an assessment of condition and maintenance cost for school buildings.

Centralized information about the condition of Idaho School Buildings is scarce or nonexistent. While Idaho Code requires school districts to submit school building maintenance plans to the Division of Building Safety, only 30 percent of districts comply. We discuss this reporting issue later in the chapter.

To estimate district building conditions, we completed the following steps:

- reviewed the 10-year maintenance plans for 33 districts
- surveyed all 115 districts
- sent a follow-up questionnaire to 12 districts
- calculated estimated building upgrade costs for 77 districts
- estimated useful lifecycle depreciation for 84 schools

The findings in this chapter offer a good start to understanding the status of school facilities statewide. However, a statewide facility condition assessment is required to get a full understanding of school building conditions across the state.

Only 33 of the 115 districts submitted maintenance plans to the state from 2016 to 2020.

Idaho Code § 39-8006A requires that all districts submit a 10-year maintenance plan to the Division of Building Safety every 10 years. In addition, districts must submit updated plans five years after they submit a 10-year plan. Updated plans should include work the district has completed and any revisions to the original 10-year plan.

We found that few districts submit 10-year maintenance plans to the state, and plans districts have submitted vary in content and scope. There are also questions about who will receive the plans moving forward. We found that the state does nothing with the submitted maintenance plans. A purpose for the plans should be devised if districts are continually required to submit them.

Self-assessed building conditions

Despite the requirement that all 115 districts submit 10-year maintenance plans, few comply. Between 2016 and 2020, a period in which all 115 districts should have either submitted a new 10-year maintenance plan or a 5-year revision, only 33 districts submitted maintenance plans.

The state does not hold districts accountable for not submitting maintenance plans.

Idaho Code does not incentivize districts to submit maintenance plans, nor does it mention repercussions for the districts that do not submit a plan.

It is possible more districts are doing facility monitoring and planning than are submitting maintenance plans to the state. In our survey of all school districts, 75 percent of responding districts said they conduct their own facility condition assessments of school buildings on a regular basis.[1] District responses indicate that districts collect building information but infrequently share it with the state.

1. A facility condition assessment, as defined in our survey, is a systematic inspection of facilities using a standardized method for recording observations.

Content of maintenance plans

Although Idaho Code does not explicitly state what the 10-year maintenance plans must include, the Office of School Safety and Security created an inspection form that can serve as a template when inspecting buildings. In addition, the Division of Building Safety provides a best practice guide for what to include in a 10-year maintenance report. The use of both the inspection form and best practice guides are optional.

The 33 maintenance plans we reviewed included information on the maintenance status and inventory of school buildings, planned maintenance projects for the next 10 years, and student enrollments and growth forecasts. The contents, detail, and scope of the plans we reviewed varied from district to district. The differences among the maintenance plans made it difficult to draw comparisons of school buildings across districts.

We found that individuals with differing levels of subject matter expertise created district maintenance plans, which leads to various levels of detail and content in the plans. In our survey, districts said that various groups, such as school administrators, maintenance staff, contractors, and vendors, conduct their facility condition assessments.

Maintenance plans may become more uniform moving forward with the inspection form and guide provided by the Office of School Safety and Security since 2018. Of the 33 maintenance plans we reviewed, 32 were submitted in 2016 or 2017, before the form and guide were available. One district submitted a maintenance plan in 2020 but did not use the provided form or guidelines.

Details of 10-year maintenance plans vary among districts.

Policy considerations: collection and purpose of the maintenance plans

Idaho Code outlines that districts must submit the maintenance plans to the Division of Building Safety. Since 2006, the Office of School Safety and Security of the Division of Building Safety has received the submitted maintenance plans.

However, the office left the Division of Building Safety in July 2021 to become part of the State Board of Education. It is unclear which agency will receive the 10-year maintenance plans in the future.

The purpose of the 10-year maintenance plans is not defined.

Moving forward, the Office of School Safety and Security may not be the ideal place to collect and house the maintenance reports. The office, established by Idaho Code § 33-5904, does safety and security trainings for district staff and safety inspections of school buildings. The office is not responsible for tracking or addressing maintenance deficiencies of school buildings.

As well, the Division of Building Safety's mission is to ensure the safety and licensing standards of buildings. It does not oversee building and facility management, such as the Division of Public Works does, nor is it involved in the education field. Unlike other states, Idaho does not have an oversight agency for school buildings, making it difficult to find a proper place for the maintenance plans to go.

Beyond issues around who receives the plans, there is no statutorily defined purpose or use for the maintenance plans. Past maintenance plans received were filed away. Consequently, there was little or no action taken on the reports. The section of code requiring districts to submit maintenance plans is in a chapter addressing school safety and is unrelated to school building maintenance. There is no defined purpose or use for the 10-year maintenance plans in code other than school districts must submit them.

If the Legislature wants districts to continue to submit 10-year maintenance plans, it should help identify or create an office to receive the plans. Once a proper place is identified for the maintenance plans, the Legislature should work with whomever is tasked with receiving the plans to develop a purpose and use for them. If this work is not done, the requirement for districts to submit plans should be removed.

Most districts reported that they had maintenance deficiencies.

We surveyed all 115 districts to better understand school building conditions. Seventy-seven districts responded to our survey for a response rate of 67 percent. More information on the survey and responses can be found in appendix D.

We asked district administrators to self-assess the condition of school buildings on a scale of "excellent" to "poor." Administrators were asked for building conditions by school type in the district. We analyzed the results two ways. First, we looked at the differences between school types: elementary, middle, and high schools. Second, we estimated the amount of square footage that fell into each of the rating levels.

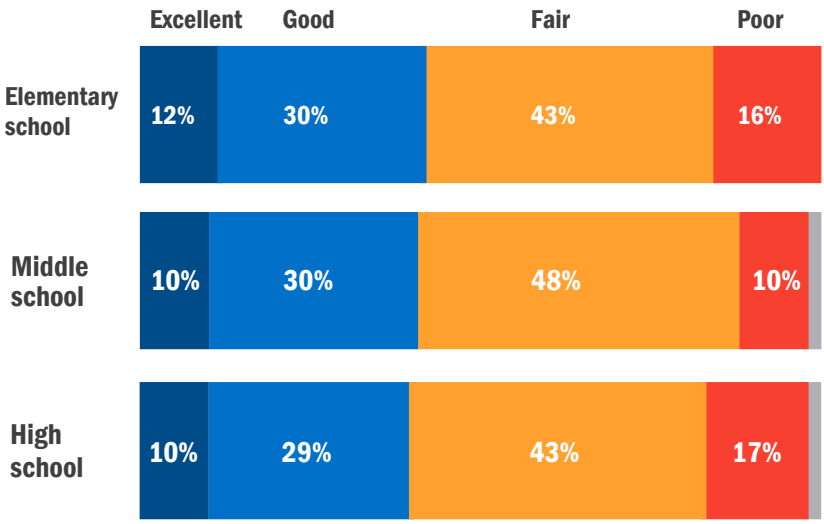
Pocatello High School of Pocatello School District

Statewide district self-assessment of building conditions by school type

We found that districts most frequently rated the condition of their buildings as "fair." A "fair" rating indicates that there will be needed maintenance and repairs on the buildings, either presently or in the near future, to prevent school buildings from degrading into a worse condition over time. As exhibit 1 shows, we found that ratings between elementary, middle, and high schools were similar.

Exhibit 1

The frequent "fair" and "poor" ratings for building conditions indicate that most school buildings need maintenance.



Source: Office of Performance Evaluations' district survey.

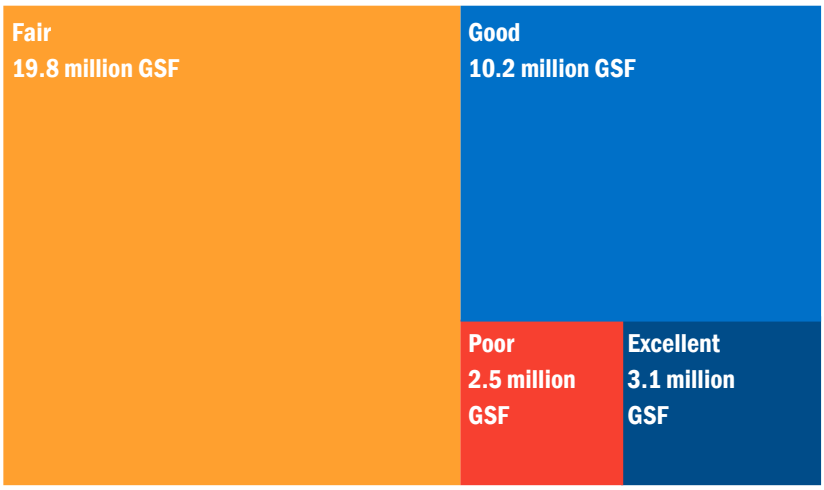
Statewide district self-assessment of building conditions by square feet

Comparing ratings at the district level by school type is imprecise because districts differ in size and number of schools. To account for differences in district size, we analyzed the results from the survey in terms of school building square feet in each district. We took school condition ratings from district administrators and assigned them to the square footage of the corresponding school type in the district.

In total, the 77 districts that responded represent 35.6 million square feet of school buildings. As shown in exhibit 2, we found that districts rated 63 percent of the total square feet of school buildings, or 22 million square feet, as "fair" or "poor."

Exhibit 2

Of the 35.6 million gross square feet of school buildings in districts we surveyed, over 22 million were rated as either "fair" or "poor".



Source: Office of Performance Evaluations' district survey and Department of Education data on school district gross square feet.

To account for differences in district size, we analyzed survey results in terms of building square feet.

Districts rank replacing or repairing old buildings as their biggest challenge.

In our survey we asked district administrators to rank the building challenges they face. We gave districts a list of five statements to rank in order of significance. We asked districts to only rank statements that applied to their district.

Of the 77 school districts that responded, 56 districts selected all five statements as challenges, indicating that on some level most school districts struggle with all five challenges. Two districts did not select any of the statements as a challenge.

"Performing large maintenance or repair projects needed at schools" was the most frequently selected statement, while "building new schools needed to replace schools that are their past their usable lifespan" received the most first place rankings. Exhibit 3 has the ranking of challenges by districts.

Exhibit 3

Replacing schools that are past their usable lifespan with new ones is the biggest challenge for districts.

Challenge	Districts ranking the statement as their largest challenge	Number of districts ranking the statement
Building new schools to replace schools that are past their usable lifespan	24	65
Performing large maintenance or repair projects needed at schools	18	70
Building additional schools to accommodate growth	12	63
Keeping up with routine maintenance at schools	11	66
Performing large improvement projects needed at schools	9	67

Source: Office of Performance Evaluations survey of districts.

It would take an estimated $847 million to get all buildings up to "good" condition.

The frequent "fair" and "poor" self-assessed ratings for school buildings combined with the ranking of challenges districts face indicate that districts struggle with replacing or repairing old, outdated buildings. As such, districts likely have deferred maintenance and building upgrades that need to be addressed.

We used responses from our survey along with per square foot costs to replace school buildings to estimate the cost of building upgrades. The estimate produced is likely low because this method does not account for schools with repair costs large enough that replacement would be more cost effective. Our full methodology and results are further explained in appendix E.

In our analysis, we found that the 77 districts that responded to the first survey have a total replacement value of $6.5 billion. Of that replacement value, it would require an estimated $1.3 billion to get all schools back up to "perfect" condition from their current state. A building in "perfect" condition would have no deferred maintenance requirements or upgrade needs, as if it were a new building.

Building replacement value

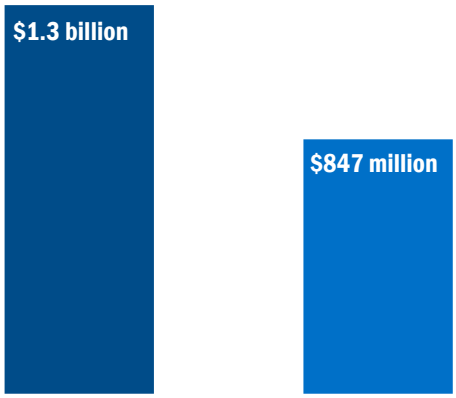
The National Center for Education Statistics defines replacement value as the cost to replace an existing structure with a new structure of the same size at the same location. Replacement value is typically calculated by taking the square footage of a building and multiplying it by the estimated cost per square foot to design and build a new school.

All dollar figures in the report are adjusted for inflation to 2020 dollars.

Getting schools up to "good" condition from their current status may be a more manageable and realistic goal because of the age and usage of schools. It would take an estimated $847 million to get all schools in the 77 districts to "good" condition. Exhibit 4 shows the cost differences between getting schools up to "perfect" condition or "good" condition.

Exhibit 4

The 77 districts in our survey would need to spend an estimated $1.3 billion to get all schools up to "perfect" condition and $847 million to get schools to "good" condition.



Source: Office of Performance Evaluations' survey of districts and RSMeans online data.

Pine School of Mountain Home School District

Among districts that provided additional data, 20 percent of schools need to be phased out or replaced over the next 10 years.

We sent a follow-up questionnaire to 12 districts to expand on the information and findings from our first survey. We asked district administrators to provide more detailed information for building conditions at individual schools and projected future needs. More information on the follow-up questionnaire and the selection of the 12 districts can be found in appendix D.

The 12 districts have a combined total of 89 schools. We received information for 84 of those schools. The remaining five schools either had no building of their own or were in a very small building, and were missing key information.[2] We excluded these schools from our analysis.

Tendoy Elementary School of South Lemhi School District

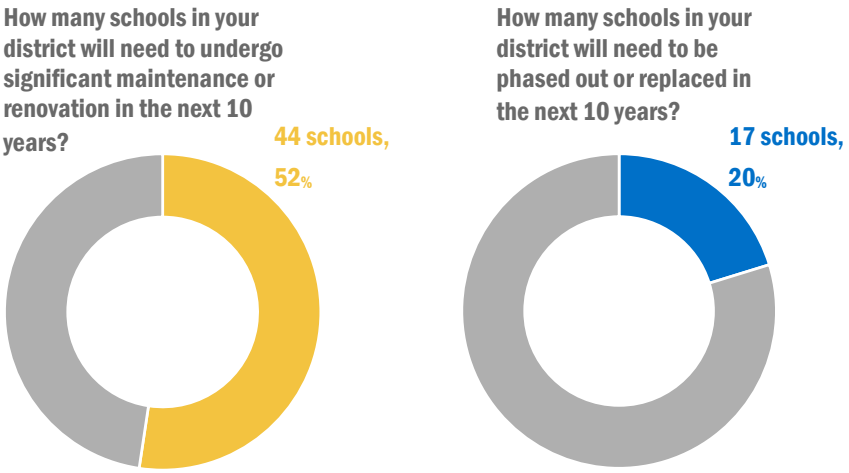
Our follow-up questionnaire includes **84** schools from **12** districts.

2. The total qualifying building square footage of the five excluded schools was 2,552 square feet, or 0.04 percent of the total square footage for the 12 districts.

The districts indicated that a substantial amount of work would need to be done on school buildings over the next 10 years due to poor facility conditions and population growth. Respondents answered that 44 schools would need to undergo significant maintenance or renovation within the next 10 years, with 17 schools needing to be phased out or replaced entirely. As exhibit 5 shows, 52 percent of schools in the 12 districts need to undergo significant maintenance or renovation, while 20 percent of schools need to be phased out or replaced.

Exhibit 5

In the next 10 years, over half of the 84 schools would need significant maintenance or renovation and 20% need to be phased out or replaced.



Source: Office of Performance Evaluations' survey of districts.

10 of the 12 districts said they need at least 19 new schools to accommodate student growth.

Ten districts expect the number of enrolled students to increase over the next 10 years. To accommodate growth, the 10 districts projected a need to build a minimum of 19 new schools. Three districts said they currently do not have enough capacity to accommodate the number of students they serve.

Over half of the 84 schools were past their expected useful life.

We obtained building age data for 84 schools in our follow-up questionnaire. Using the age of buildings, we estimated the remaining useful life. We assumed that all school buildings had an expected useful life of 50 years, with a depreciation rate of two percent a year for 50 years. While a 50-year lifespan for a school is an industry standard, NCSF cautions that actual school building lifespans will vary depending on the "quality and type of construction, climate, maintenance, operations, and intensity of use."[3]

The average build date for the 84 schools was 1973. Forty-six of the schools were older than 50 years old. For our analysis, we presumed these schools need replacement since they were fully depreciated.

The replacement value of all 84 schools was $1 billion. Based on the age of the buildings and a two-percent annual depreciation rate, an estimated $809 million, or 79 percent, of building value had depreciated by 2020.

Projecting forward 10 years to 2030, an additional 10 schools will move past their expected useful life and an additional $82 million will depreciate from the value of the buildings.

As a caveat, these estimates based on industry standards may overstate the value of depreciation. This method does not account for building components that districts have replaced or upgraded since the district built the school. Additionally, not all schools have the same 50-year useful life length. It is possible that schools can be past their expected useful life and not require replacement.

3. *2021 State of Our Schools: America's PK-12 Public School Facilities*, National Council on School Facilities (2021).

Absent a statewide facility condition assessment, the actual conditions at school buildings are unknown.

A 1993 facility condition assessment of school buildings found $1.3 billion in needed repairs, additional facilities, or upgrades.

The Legislature last commissioned a statewide facility condition assessment of school buildings in 1993. The assessment found an estimated $1.3 billion in needed repairs, additional facilities, or upgrades in Idaho schools. Districts do not report the information necessary to replicate this analysis.

While the school building condition ratings from our survey and questionnaire can tell us the overall self-assessed condition of a building, these ratings do not tell us what in a school is deficient or what needs to be replaced.

The two methods we used to calculate costs of school building upgrades and deficiencies, the building upgrade cost calculation and the useful life depreciation estimate, provide only estimates. Actual costs will fluctuate.

The estimates from the two methods differ greatly, with the building upgrade cost calculation understating costs and the useful life depreciation estimate overstating costs. The divergence between the two estimates demonstrates that neither the Legislature nor districts can rely on the estimates for decision making.

While estimates from both methodologies suggest that there are deficiencies and needed upgrades in school buildings statewide, neither is a substitute for a statewide facility condition assessment.

Policy consideration: the Legislature should commission a statewide facility condition assessment

A statewide facility condition assessment of school buildings can assist the Legislature by:

- identifying all school buildings in the state and their conditions
- calculating the replacement value of school buildings

providing a list of maintenance and repair projects for buildings

identifying school buildings that need immediate repair or replacement

informing policy on maintenance expenditure and allocation requirements

creating software to track and monitor the conditions of schools and maintenance work completed

In 2005 the Idaho Supreme Court ruled that the Legislature was not upholding its constitutional duty to provide the means for districts to address maintenance and safety concerns within their buildings. A facility condition assessment would inform the Legislature about the impact of changes to school building funding and maintenance requirements since the ruling.

A statewide assessment would inform the Legislature about the impact of 2006 changes to school building funding and maintenance requirements.

For guidelines of what to include in a facility condition assessment, policymakers can look at the 1993 school facility condition assessment and other facility condition assessments done in the state.

The 1993 facility condition assessment included "an inventory of school facilities used for instruction purposes, an inventory of technology, an assessment of the physical condition of the schools, and the capacity of permanent school buildings to meet enrollment needs."[4] This information does not exist for school buildings today.

The 1993 assessment identified 71 schools in need of immediate replacement or renovation.

In addition, the 1993 facility condition assessment identified 71 schools that needed immediate replacement or renovation. The status of the 71 identified schools were tracked in a 1999 follow-up by the state, in which it was found 18 schools had been removed from service. A facility condition assessment would identify the school buildings in the state with the most pressing need and allow the Legislature to follow the status of the buildings over time.

4. *Statewide School Facilities Needs Assessment Update*, Idaho Department of Education (1999).

3 Barriers for funding school buildings

School districts fund and finance buildings through a combination of state and local resources. The state distributes lottery and state match dollars to districts that districts must spend on building maintenance. In addition, the state provides discretionary funding to school districts which may be used for building maintenance.

Districts raise local funds for building maintenance and repair in two ways: 1) using temporary property tax levies, such as supplemental levies or plant facilities levies, and 2) financing larger capital projects through bonds. Appendix F provides more detail on the different revenue sources districts can use to pay for buildings.

In the study request, legislators raised concerns that the ability for districts to use local funds for their buildings may be breaking down. One explanation for this given in the request was the increase usage of special property tax levies, such as supplemental levies and plant facilities levies, leading to voter fatigue.

News reports have found that districts have increasingly relied on supplemental levies to fund operations since the elimination of the district local property tax levy for maintenance and operations in 2006.[5] Our analysis of financial data supports this claim. We were unable to determine how special property tax levies have impacted school bond passage rates. However, we did find that the high voter threshold needed to pass a school bond has resulted in most school bonds failing over the past 10 years.

5. "Public School Investment," *Idaho Center for Fiscal Policy* (2019); Kevin Richert, "Tax shift of 2006 adds up to tax increase," *Idaho Education News* (2016).

Since 2007, districts have received $1 billion less in discretionary funding compared to 2006 levels.

Discretionary funds support general operational expenses for districts, including building expenses. Districts can spend discretionary funds as they see fit. Districts receive an amount of discretionary funds from the state based on the number of support units within the district. The amount of discretionary funds per support unit is set at the beginning of the school year based on the estimated excess funding after paying for statutory and non-statutory expenses.

Prior to the elimination of the maintenance and operations levy, discretionary funds comprised a mix of local and state dollars. Approximately 90 percent of discretionary funds were raised by the local maintenance and operations levy, and the remaining 10 percent were distributed by the state.

With the elimination of the maintenance and operations levy in 2006 the state began funding the entire distribution of discretionary funds. Since then, the amount districts receive in discretionary funds has decreased.

Support unit

A support unit is a function of average daily attendance used to determine financial support of public-school districts. The state calculates support units by dividing the average daily attendance of a district by an attendance divisor set in Idaho Code. The calculation of support units is influenced by the type of attendance and enrollment size of the district. For example, secondary school attendance has a smaller denominator than primary school attendance. As a district's average daily attendance increases, the support unit denominator becomes larger. Discretionary funds allotted by the state go to districts on a per-support unit basis.

Districts receive discretionary funds from the state based on their number of support units.

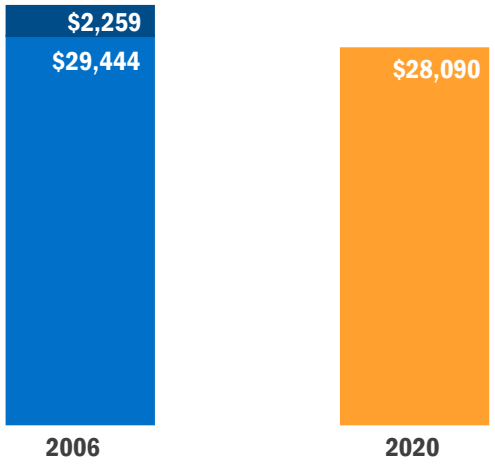
Districts received $31,703 per support unit in 2006 and $28,090 per support unit in 2020.

In 2006, the year prior to the funding change, districts received $31,703 in discretionary funds per support unit. Most of the discretionary funds per support unit, $29,444, were raised at the local level through a maintenance and operations levy, and the remaining $2,259 were appropriated to districts by the state.

In 2020, the state disbursed $28,090 in discretionary funds per support unit to districts. The 2020 discretionary amount is $3,613 less per support unit than the total amount of discretionary funds received by districts in 2006. Moreover, the maintenance and operations levy in 2006 raised more per support unit alone than the total amount appropriated to districts in 2020. Exhibit 6 compares the distribution of discretionary funds between 2006 and 2020.

Exhibit 6

Discretionary funds per support unit in 2020 were lower than the combined discretionary funds raised by state and local sources in 2006.

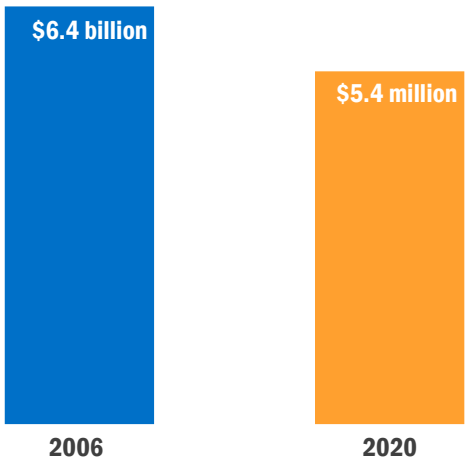


Source: Idaho Legislative Budget Book, all dollar amounts adjusted to 2020 dollars.

As shown in exhibit 7, the state allocated $5.4 billion in state discretionary funds from 2007 to 2020. This is $1 billion less than the $6.4 billion districts would have received if discretionary funding stayed equal to 2006 levels.

Exhibit 7

The actual discretionary disbursement from 2007 to 2020 was $5.4 billion, $1 billion less than if 2006 discretionary disbursement levels had continued.



Source: Idaho Legislative Budget Book; all dollar amounts adjusted to 2020 dollars.

A science lab in Rigby High School of Jefferson County School District

To compensate for the loss of discretionary funds, districts raised an additional $1 billion in supplemental levies from 2007 to 2020.

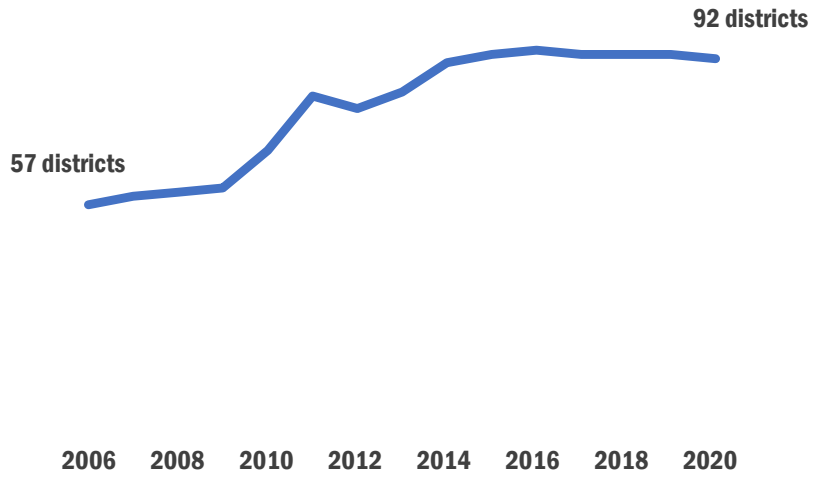
The number of districts with supplemental levies has increased since 2006.

A supplemental levy is a local property tax levy that districts can use to increase the amount of discretionary funds. Supplemental levies need to be approved by the majority of voters in a district and can last for up to two years before needing to be reapproved. Districts can spend money raised through supplemental levies as they see fit, including on buildings.

The decrease in discretionary funding per support unit from 2007 to 2020 affected the use of supplemental levies. Exhibit 8 shows the growth of supplemental levies from 2006 to 2020. In 2006, the year prior to the funding change, 57 school districts used a supplemental levy. By 2020, the number of districts with a supplemental levy had increased to 92.

Exhibit 8

The number of districts with supplemental levies increased substantially between 2009 to 2012.



Source: Data from the Department of Education.

Districts use supplemental levies to augment discretionary funds received from the state. In our survey of districts, the state distribution of discretionary funds and supplemental levies were both identified as key sources of revenue districts rely on to fund routine building maintenance and large improvement projects.

Approved supplemental levies have a maximum duration of two years, suggesting they were not intended to be used on a continuous basis to fund education. However, districts have used continuous renewals of supplemental levies as a replacement for the maintenance and operations levy that the state eliminated.

With the elimination of the maintenance and operations levy, the only way for a district to raise its discretionary budget, short of what the state provides, is to pass a supplemental levy.

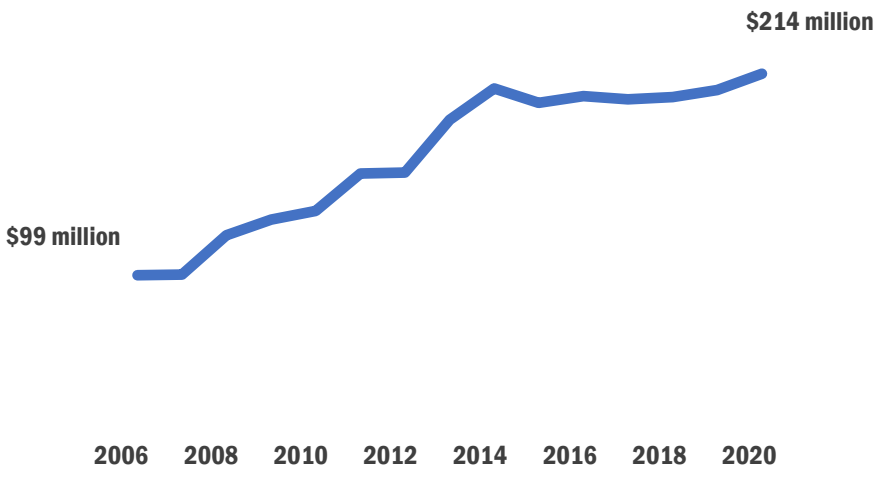
The removal of the maintenance and operations levy left districts vulnerable to fluctuations in state revenue. As Idaho entered a recession in 2008, the amount distributed by the state in discretionary funds decreased and district reliance on supplemental levies increased. Exhibit 9 shows the increase in the total amount raised annually by supplemental levies from 2006 to 2020.

The only way for a district to raise its discretionary budget is to pass a supplemental levy.

The removal of the maintenance and operations levy left districts vulnerable to fluctuations in state revenue.

Exhibit 9

Supplemental levies raised $115 million more in 2020 than in 2006.

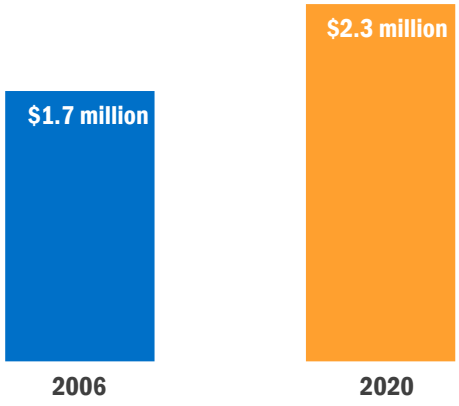


Source: Data from the Department of Education, all dollar amounts adjusted to 2020 dollars.

As exhibit 10 indicates, the amount raised per supplemental levy has increased from 2006 to 2020. The average supplemental levy in 2006 raised $1.7 million compared to $2.3 million in 2020. The number of districts with supplemental levies above $1 million increased from 20 in 2006 to 35 in 2020.

Exhibit 10

The average supplemental levy in 2006 was 35% smaller than the average supplemental levy in 2020.



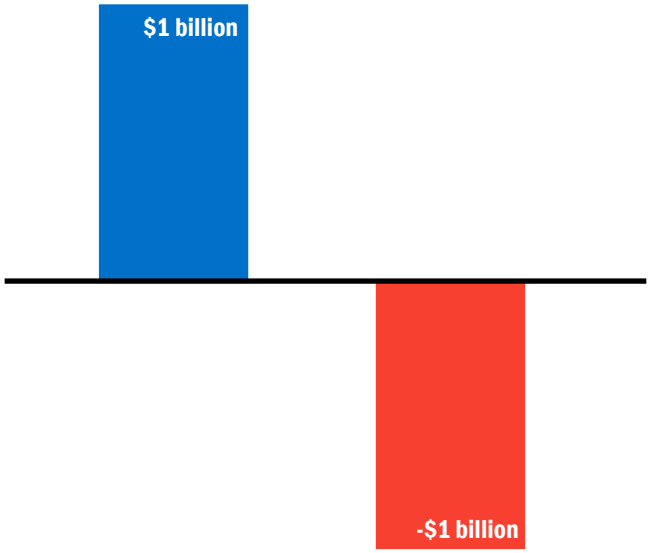
Source: Data from the Department of Education, all dollar amounts adjusted to 2020 dollars.

Grangeville High School of Mountain View School District

Districts raised a cumulative total of $2.4 billion from supplemental levies between 2007 to 2020. Had supplemental levies stayed consistent with 2006 levels, school districts would have raised $1.4 billion between 2007 to 2020 from supplemental levies. The increase in revenue from supplemental levies came at the same time school districts were receiving less in state discretionary funding. As exhibit 11 shows, the extra $1 billion raised by supplemental levies over 2006 levels offsets the entire deficit of discretionary funding compared to 2006 levels.

Exhibit 11

From 2007 to 2020, supplemental levies raised about $1 billion more than 2006 levels, while districts received $1 billion less in discretionary funds than 2006 levels.



Source: Data from the Department of Education, all dollar amounts adjusted to 2020 dollars.

Districts raised $2.4 billion from supplemental levies between 2007 to 2020.

Forty-one percent of school bonds passed from 2011 to 2020.

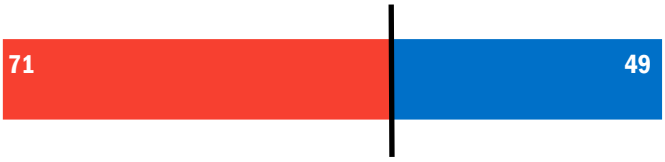
The average bond request from 2011 to 2020 was $24 million.

Districts use bonds to finance large capital projects, such as new school construction or major building repairs and renovation. Bonds require a two-thirds voter approval to pass.

As exhibit 12 shows, there were 120 school bond elections across Idaho from 2011 to 2020, of which 49 bonds passed. The average bond request was $24 million. The average passing bond was $27.5 million, slightly higher than the average failing bond at $21.6 million. Therefore, the amount requested by a bond did not seem to impact the likelihood of a bond passing.

Exhibit 12

Of the 120 bonds proposed between 2011 and 2020, 59 percent failed and 41 percent passed.



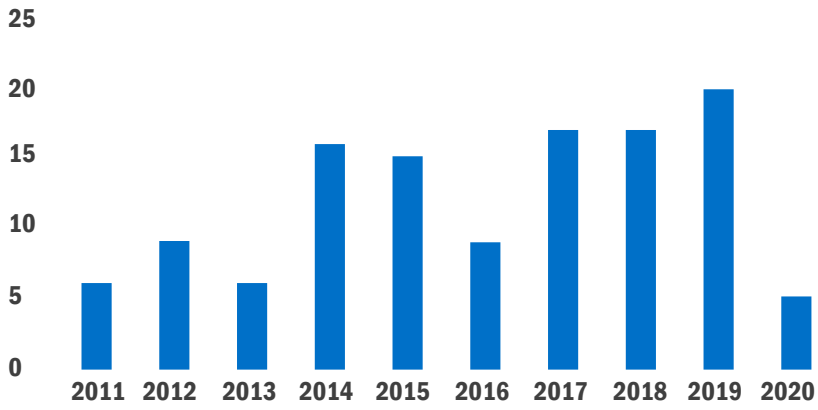
Source: Office of Performance Evaluations analysis and Department of Education data.

2020 had the fewest bond requests and the least amount requested.

The number of bonds requested has fluctuated annually between 2011 to 2020. When the number of bond requests per year increased, so too did the total amount requested by bonds per year. The last year of our data, 2020, had the fewest number of bond proposals and lowest amount requested by bonds. Exhibits 13 and 14 show the number of bond elections and amount requested by bonds between 2011 and 2020.

Exhibit 13

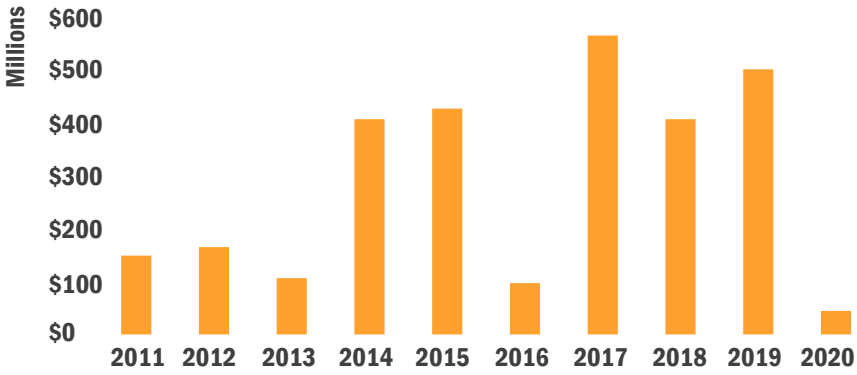
The number of bond proposals has fluctuated annually since 2011, with 2019 having the most bond proposals and 2020 the fewest.



Source: Office of Performance Evaluations analysis and Department of Education data.

Exhibit 14

The amount requested annually by bonds peaked in 2017 at $577 million.



Source: Office of Performance Evaluations analysis and Department of Education data. All dollar amounts adjusted to 2020 dollars.

The impact of special property tax levies on the passage of school bonds is inconclusive.

Requesters of this study wanted to know how other local property taxes, such as supplemental levies and plant facilities levies, might affect the chance of a bond passing. We reviewed bond proposals from 2011 to 2020 and found it is inconclusive how supplemental and plant facilities levies influence bond passage rates.

Bonds in districts without a supplemental levy had a higher passage rate. However, nearly all bonds proposed over this time, 93 percent, were proposed in districts with an active supplemental levy.

In addition, of the bonds proposed, 97 percent were in districts with either a supplemental levy, plant facilities levy, or both. Because of the overlap between bond proposals and local property tax levies it is difficult to measure the effects the levies have on the passage rate of bonds.

97% of bonds proposed between 2011 to 2020 were in districts with either a supplemental or a plant facilities levy.

Plant facilities levies

Plant facilities levies are special property tax levies to raise funds for capital projects. Like supplemental levies, plant facilities levies require voter approval. The vote threshold for plant facilities levies to pass ranges from 55 percent to 66.7 percent, depending on the levy rate. Plant facilities levies can last for up to 10 years. Fifty-five districts had a plant facilities levy in 2020.

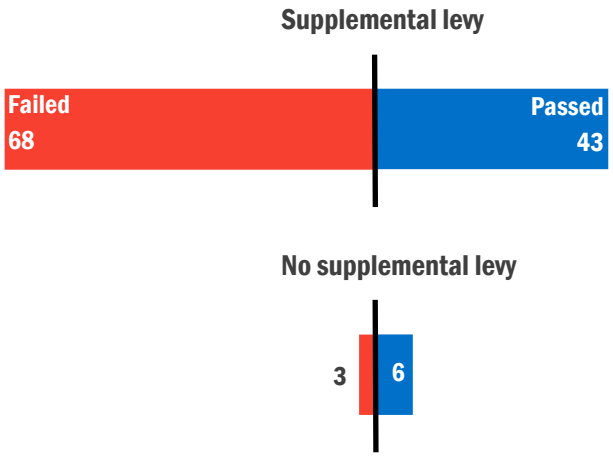
Supplemental levies and bonds

Of the 120 bond elections held between 2011 and 2020, all but nine bonds ran in a district with an active supplemental levy at the time of the election. Exhibit 15 shows the number of bonds proposed in districts with and without a supplemental levy. A higher percentage of bonds proposed in a district without an active supplemental levy passed (67 percent) than those proposed in a district with an active supplemental levy (39 percent). However, because nearly all bonds proposed were in districts with a supplemental levy and the small number of bonds in districts without a supplemental levy, no conclusion can be drawn from the data.

111 of the 120 bond elections held between 2011 and 2020 were in districts with an active supplemental levy.

Exhibit 15

More bonds passed than failed in districts without a supplemental levy, but nearly all bonds were proposed in districts with a supplemental levy.



Source: Office of Performance Evaluations analysis and Department of Education data.

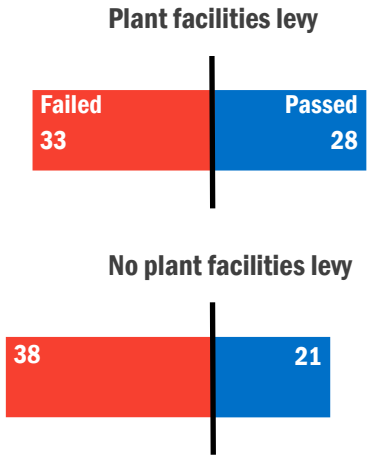
61 of the 120 bond elections held between 2011 and 2020 were in districts with an active plant facilities levy.

Plant facilities levies and bonds

Districts had fewer plant facilities levies than supplemental levies between 2011-2020. As a result, fewer bonds were proposed in districts with plant facilities levies than with supplemental levies. Of the 120 bond elections from 2011 to 2020, 61 had an active plant facilities levy at the time of the election. A greater share of bonds passed in districts with an active plant facilities levy (46 percent) than without (36 percent). Exhibit 16 shows the results of bonds proposed in districts with or without an active plant facilities levy.

Exhibit 16

Having a plant facilities levy did not appear to increase the chance a bond failed rather than passed.



Source: Office of Performance Evaluations analysis and Department of Education data.

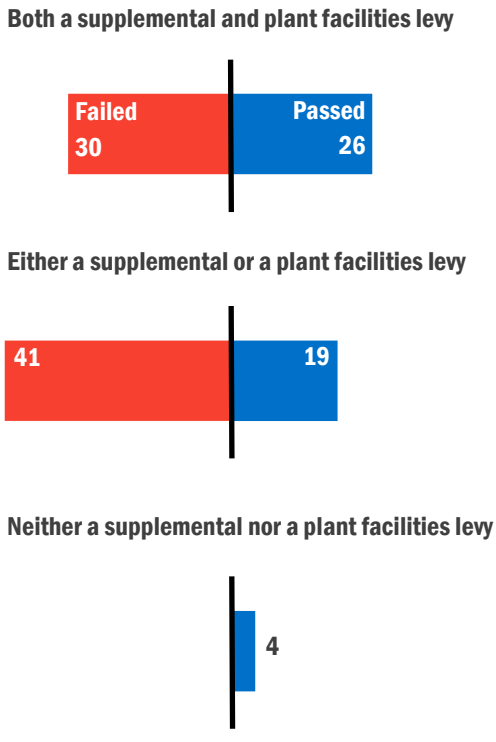
Supplemental levies, plant facilities levies, and bonds

Of the 120 bond elections from 2011 to 2020, 56 were in districts with both an active supplemental levy and plant facilities levy. Of those 56 bond proposals, 26, (or 46 percent), passed. Conversely, there were four bonds which ran in districts without supplemental and plant facilities levies. All four of those bonds passed. Exhibit 17 compares the bond election result for bonds proposed in a district with both a supplemental and plant facilities levy, either a supplemental or plant facilities levy, or neither levy.

56 of the 120 bond elections held between 2011 and 2020 were in districts with both an active supplemental and plant facilities levy.

Exhibit 17

Bonds performed worse in districts with either a supplemental or plant facilities levy than districts with both or neither levies.



Source: Office of Performance Evaluations analysis and Department of Education data.

There seems to be little consistency throughout the comparisons of bond passage rates and special property tax levies. Bonds in districts with supplemental levies were less likely to pass than bonds in districts without a supplemental levy, but nearly all bonds were proposed in districts with a supplemental levy. The discrepancies between the number of bonds proposed in districts with and without special property tax levies make it impossible to draw any conclusion.

When the number of bonds proposed is similar enough to draw a comparison, such as comparing districts with or without a plant facilities levy or districts with both special property tax levies to districts with only one levy, bonds in districts with more special property tax levies fare better. Bonds in districts with a plant facilities levy were more likely to pass than bonds in districts without a plant facilities levy. Moreover, bonds were more likely to pass in districts with both supplemental and plant facilities levies than districts with only one of the levies.

Using bond and levy data alone, we are unable to make any conclusions about how special property tax levies influence bond passing rates for a few reasons. First, most bonds were proposed by districts with supplemental or plant facilities levies. Second, property taxpayers are not only subject to district property taxes, but also other local taxing districts such as cities and counties. Fluctuations in property taxes paid to other taxing districts may influence how an individual votes for a school bond. Finally, regional differences in property valuations and political ideologies possibly influence the ability, or desire, for a community to increase property taxes to pay for school bonds.

Cambridge Elementary School of Cambridge Joint School District

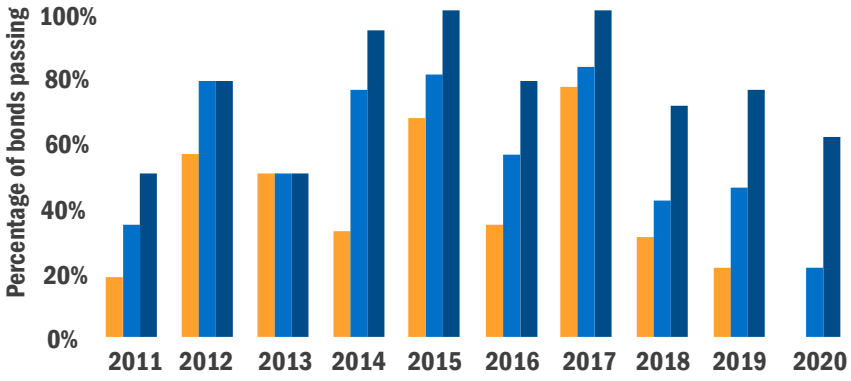
A lower threshold of a simple majority would have resulted in twice as many bonds passing between 2011 and 2020.

While there is not enough information to conclude how supplemental and plant facilities levies influence bond passing rates, we did find that a lower voter threshold for bonds to pass can influence the passing rate of bonds. The current bond threshold requires a two-thirds majority for bonds to pass. Most bonds proposed between 2011 to 2020 did not surpass the required two-thirds threshold, though most received over 50 percent of voter approval.

Our analysis indicates that a lower bond approval threshold of 60 percent would have resulted in the passing of 72 of the 120 bonds proposed from 2011 to 2020, above the actual result of 49 passed bonds. Exhibit 18 compares the percentage of bonds that would have passed by year depending on the bond threshold required.

Exhibit 18

From 2011 to 2020, fewer bonds passed with the two-thirds supermajority vote threshold than if the vote threshold was set to 60% or simple majority.



Source: Office of Performance Evaluations' analysis and Department of Education data.

Most bonds between 2011 and 2020 received over 50% voter approval.

81% of bonds would have passed between 2011 to 2020 with a bond threshold of a simple majority.

An even lower threshold of a simple majority, 50 percent, would have resulted in 81 percent of bonds, or an additional 48 bonds, passing. Every year between 2011 and 2020 most bonds would have passed if 50 percent of voters were required for a bond to pass.

In our survey of districts, several responded that the likelihood of ever passing a bond is low. When asked what sources of revenue the district relied on for building new school buildings, one district stated:

> We will never be able to pass a bond for a new building so there is no point to this question. No funding available.

A lower vote threshold required to pass a school bond would require an amendment to the Idaho Constitution. Article VIII, Section 3 of the Idaho Constitution outlines that districts, along with other subdivisions of the state, cannot incur any indebtedness without two-thirds voter approval.

A hallway in Rigby High School of Jefferson County School District

Building maintenance requirements

4

Since 2006, Idaho Code § 33-1019 has mandated that school districts allocate two percent of school building replacement value toward student-occupied building maintenance every year. The statute's purpose is to ensure districts allocate sufficient money for school maintenance.

The state assists districts in meeting their two percent allocation goal through a combination of state lottery dollars and state match funds. Any additional funds needed come from discretionary spending by the district.

The mandate has two shortcomings: 1) the replacement cost factor that calculates building replacement value is old and outdated, and 2) the building replacement value percentage that needs to be allocated annually on maintenance is below industry best practice standards.

The building replacement cost factor calculating school building replacement value is outdated.

The cost factor to calculate building replacement value has remained unchanged since 2008.

Idaho Code instructs that replacement value of school buildings are calculated by multiplying the total square footage of school buildings by a per-square foot building replacement cost factor. Building replacement value is calculated at the district level.[6]

The Joint Finance Appropriations committee is tasked with annually reviewing the building replacement cost factor. The cost factor is the same for all districts statewide, regardless of school type or location.

When the Legislature first added Idaho Code § 33-1019 into law in 2006 the cost factor was $80 per gross square foot. The Legislature changed the cost factor in 2008 to $81.45 per gross square foot. Since 2008, the Legislature has not updated the cost factor and it has remained at $81.45.

Almo Elementary School of Cassia County Joint School District

6. Some school buildings are exempt from the district square footage count, such as school buildings that are less than one year old at the start of the school year or buildings that are not occupied by students.

Using a 13-year-old cost factor to calculate school building replacement cost does not reflect the actual cost to replace school buildings. To measure the adequacy of present school building allocations, we used three different cost factors. The cost factors we used are listed in exhibit 19. More information on the cost factors can be found in appendix C.

Exhibit 19

Replacement building cost factors range from $120.45 per gross square foot to $350 per gross square foot, depending on the source.

Cost factor name	Cost factor source	Cost factor amount per gross square foot
Base statutory cost factor	Idaho Code § 33-1019	$81.45
Statutory cost factor adjusted to 2020	Statutory cost factor adjusted from 2008 to 2020 costs	$120.45
Raw construction cost	RSMeans Software	$181.94
Full replacement cost	National Council on School Facilities	$350.00

Source: Bureau of Labor Statistics' Producer Price Index on new school construction, RSMeans online software, National Council on School Facilities *2021 State of Our Schools* (2021).

Districts allocated $164 million on school buildings in 2020.

Districts may need to allocate up to $175 million more per year on maintenance.

Districts were statutorily required to allocate $71.4 million on maintenance of student-occupied buildings in 2020. In total, the 115 districts allocated $164 million.[7] Of the 115 districts, 106 allocated enough to meet statutory requirements.[8]

Districts have met state requirements for building maintenance allocation. However, the state's requirements do not reflect the actual building maintenance needs of districts. The statutory cost factor of $81.45 is no longer adequate to calculate the replacement value of buildings. When adjusting the replacement value calculation from the statutory requirement of $81.45 to an updated estimate, the amount that districts must allocate annually increases. As a result of the higher allocation requirement, the number of districts that are allocating enough for school buildings declines.

American Falls High School of American Falls Joint School District

7.The $164 million spent by school districts does not include debt services.
8. Districts may use over-allocation from prior years to make up deficiencies in current year allocation. The nine districts that did not allocate enough in 2020 over-allocated enough in 2019 to make up for the 2020 deficiency.

Cost factor comparisons

Changing the cost factor increases the estimated replacement value of school buildings, thereby raising the amount needed to meet the two percent allocation requirement.

As exhibit 20 shows, at the base statutory cost factor of $81.45, qualifying school buildings in Idaho have a replacement value of $3.6 billion. To meet the two percent requirement of the base statutory cost factor, districts must allocate at least $71.4 million in maintenance.

Changing from the base statutory cost factor to the raw construction cost factor would increase the replacement value of school buildings from $3.6 billion to $8 billion. At a replacement value of $8 billion, districts would need to allocate $160 million to meet statutory requirements.

Changing the cost factor used to calculate building replacement value increases the value of school buildings statewide.

Exhibit 20

Alternative cost factors would require districts to allocate between $106 million to $307 million annually on maintenance.

Cost factor	Cost per square foot	2020 replacement value of all qualifying school buildings	2020 statewide needed allocation
Base statutory cost factor	$ 81.45	$ 3.6 billion	$ 71 million
Statutory cost factor adjusted to 2020	$ 120.45	$ 5.3 billion	$ 106 million
Raw construction cost	$ 181.94	$ 8.0 billion	$ 160 million
Full replacement cost	$ 350.00	$15.3 billion	$ 307 million

Source: Office of Performance Evaluations' analysis of Department of Education financial data.

Districts would need to allocate $47 million more per year on their buildings if the cost factor was changed to the raw construction cost.

The higher allocation requirement would have a substantial effect on the number of districts meeting the two percent maintenance requirement. As indicated in exhibit 21, 106 of the 115 districts allocated enough funds to meet base statutory requirements in 2020. Changing the cost factor to the raw construction cost lowers the number of districts meeting the requirement to 23 of the 115 districts. The remaining 92 districts that would not have allocated enough would need to increase their maintenance allocations by $47 million.

Exhibit 21

The number of districts allocating a sufficient amount on building maintenance drops significantly when changing the cost factor used to calculate building replacement value.

Cost factor	Districts that meet requirement	Districts that do not meet requirement	Additional allocation needed
Base statutory cost factor	106	9*	$ 658,000*
Statutory cost factor adjusted to 2020	56	59	$ 10,660,000
Raw construction cost	23	92	$ 46,657,000
Full replacement cost	5	110	$ 175,456,000

*The nine districts not meeting the base statutory requirement over-allocated a sufficient amount in 2019 to make up for deficiencies in their 2020 allocation.

Source: Office of Performance Evaluations' analysis of Department of Education financial data. All figures rounded to the nearest thousand.

The two percent replacement value requirement is not sufficient to meet industry best practice standards.

The two percent of building replacement value requirement that Idaho Code uses to set maintenance allocations does not reflect industry best practice standards. Idaho includes both routine maintenance and larger capital expenditures in the two percent requirement. Counting both routine maintenance and capital expenditures together differs from industry best practice standards. Exhibit 22 compares the maintenance standards of Idaho Code to the benchmarks from the National Council on School Facilities (NCSF).

Exhibit 22

Unlike NCSF, Idaho considers both routine maintenance and capital project allocations as part of the 2% maintenance allocation requirement.

Criteria	Benchmark	Includes
Idaho - school building maintenance requirement	2% of building replacement value	Allocations to fund 664 — maintenance of student occupied buildings, and fund 810 — capital assets program of student-occupied buildings
NCSF- school building maintenance and operations	3% of building replacement value	Expenditures used on custodial services, groundskeeping, routine and preventative maintenance, minor repairs, utilities, and security
NCSF - building capital investments	4% of building replacement value	Expenditures on capital renewals, facility alterations, and addressing deferred maintenance

Source: *Idaho Code § 33-1019 Guidance: School Building Maintenance*, Idaho State Department of Education (2019), National Council on School Facilities *2021 State of our Schools* (2021).

In the report, *2021 State of our Schools*, NCSF recommends districts spend a total of seven percent of building replacement value annually on buildings. Of this seven percent, NCSF recommends three percent for building maintenance and operations and four percent for capital investments.

NCSF defines building maintenance and operations as routine building maintenance and repair, as well as grounds keeping, custodial services, security, and utilities. Idaho does not presently include these additional expenditures when calculating district building expenditures. NCSF facility capital expenses include costs of major facility alterations and repairs, addressing building deferred maintenance, and periodic renewals.

Districts would need to allocate a total of $250 million on buildings to meet a 7% allocation requirement.

Seven percent building replacement value allocations using the base statutory cost factor

If Idaho adopted NCSF's recommended seven percent of replacement value allocation standard, the amount needed to be allocated by districts annually on buildings would increase.

When using the base statutory cost factor of $81.45 per gross square foot, the seven percent requirement would result in districts needing to allocate approximately $250 million per year on buildings, which is above the current $74 million. Some of the additional allocation requirement would be covered by existing district expenditures because of differences between what Idaho and NCSF consider building expenditures.[9]

9. Existing expenditures that would count toward the seven percent allocation requirement include custodial services (known as the Building Care Program), security, and groundskeeping. These expenditures amounted to $143 million in 2020.

Adjusting to a seven percent allocation requirement and accounting for additional building expenditures results in 49 of the 115 districts allocating enough to meet the higher seven percent allocation requirement. This is a decrease from the 106 districts that meet the current two percent allocation requirement in Idaho Code.

As seen in exhibit 23, the 66 districts that do not meet the higher seven percent requirement would need to allocate an additional $22 million to meet the seven percent requirement.

49 of 115
districts currently allocate enough on buildings to meet a 7% requirement.

Exhibit 23

Increasing the replacement value allocation requirement from 2% to 7% would increase districts' needed annual allocation by nearly $180 million.

Replacement value requirement	2020 statewide allocation required at the base statutory cost factor	2020 actual statewide allocation	Districts that met allocation requirement
2%	$ 71 million	$164 million	106*
7%	$250 million	$308 million**	49

*The nine districts not meeting the base statutory requirement over-allocated a sufficient amount in 2019 to make up for deficiencies in their 2020 allocation.

**2020 actual statewide allocation for the 7% replacement requirement includes student-occupied maintenance expenditures as well as the Buildings Care program, security, and grounds keeping expenditures .

Source: Office of Performance Evaluations' analysis of Department of Education financial data. All figures rounded to the nearest million.

Districts would need to allocate up to **$1.1 billion** on buildings to meet a 7% allocation requirement.

Seven percent building replacement value allocations cost factor comparisons

Changing the cost factor used to calculate building replacement value amplifies the effects of changing the replacement value percentage requirement. As exhibit 24 shows, districts would need to allocate up to $1.1 billion on buildings per year to meet the seven percent requirement depending on the replacement cost factor used.

Exhibit 24

Districts would need to allocate up to $1.07 billion annually on maintenance to meet a 7% replacement value requirement depending on the building replacement cost factor used.

Cost factor	2020 statewide needed allocation for 7 percent requirement	Districts that do not meet requirement	Additional allocation needed
Base statutory cost factor	$250 million	66	$ 22 million
Statutory cost factor adjusted to 2020	$370 million	99	$107 million
Raw construction cost	$558 million	111	$277 million
Full replacement cost	$1.07 billion	113	$767 million

Source: Department of Education financial data and OPE analysis. Figures rounded to the nearest million.

Policy consideration: the Legislature should consider revising maintenance allocation requirements in Idaho Code for districts

The current statutory cost factor used to calculate school building replacement value is outdated and does not reflect the cost of building a new school in 2020. In addition, the requirement to allocate two percent of building replacement value on maintenance is not sufficient to meet the needs of school buildings under industry best practice standards.

To meet the maintenance needs of districts, we recommend the Legislature consider (1) revising the cost factor to better reflect the cost of school replacement or (2) increasing the two percent building replacement value requirement. Policymakers should consider the following issues when adjusting the replacement cost factor or percent allocation.

First, any increase in maintenance requirements for districts increases the amount the state pays out in state match funds. State match funds go to districts that do not receive sufficient lottery dollars to cover maintenance requirements. Increasing maintenance requirements would result in the lottery dollars received by districts to be insufficient in more districts, meaning the state would need to distribute additional state match funds. For example, in 2020 under the current statutory cost factor, the state paid out $2.3 million in state match dollars. If the replacement cost factor was increased to the raw construction cost factor of $181.94 per gross square foot, the state would have paid out an additional $20.6 million in state match dollars in 2020.

Second, most of the cost increases that result from changing maintenance requirements would fall to districts. Changing the cost factor from the statutory amount to the raw construction cost would require districts to allocate an additional $46.7 million a year on school maintenance. The state would pay $16.5 million of the additional $46.7 million through increased state match funds. Districts would pay the remaining $30.1 million through their districts' budget. A possible effect would be an increased reliance on supplemental levies by these districts.

Changing maintenance requirement allocations would result in an increased distribution of state match dollars.

School buildings construction costs differ based on the location and design of the building.

Third, a "one-size fits all" cost factor may not be ideal to determine replacement costs of school buildings across the state. School building construction costs differ based on the location and design of the school building. For example, the cost to build an elementary school and a high school differ due to building needs and size. Moreover, school construction costs vary from region to region in Idaho, even when looking at the same building type. Applying the same cost construction factor to all school buildings in Idaho underestimates the replacement value of some schools and overestimates replacement value for others. The state should use multiple cost factors accounting for school type and region to estimate school building replacement costs more accurately.

Last, using the same two percent building replacement value requirement for all school buildings disregards the unique needs of buildings based off age. School buildings have different capital renewal needs depending on where a building is at in its lifecycle. As buildings age, major systems in buildings fail or wear out and need to be replaced, thereby increasing the capital costs of maintaining the building. A building at the beginning of its lifecycle will not require the same amount of capital renewals as a building toward the end of its lifecycle. Having the maintenance requirement scale based on building age may allow districts to adequately target school buildings based on need.

Edgemont Elementary School of Idaho Falls School District

National and regional comparisons

5

All 50 states have public education systems that rely on physical buildings to conduct education. Comparing Idaho's school building expenditures to other states can contextualize Idaho's support of its public school buildings.

Data from Idaho and the National Council on School Facilities (NCSF) shows that in fiscal year 2020, expenditures on school buildings in Idaho were less than national averages and all neighboring states. Additionally, we found that the tools Idaho school districts use to raise funds for school buildings are similar to neighboring states, but districts in neighboring states have easier access to the funds.

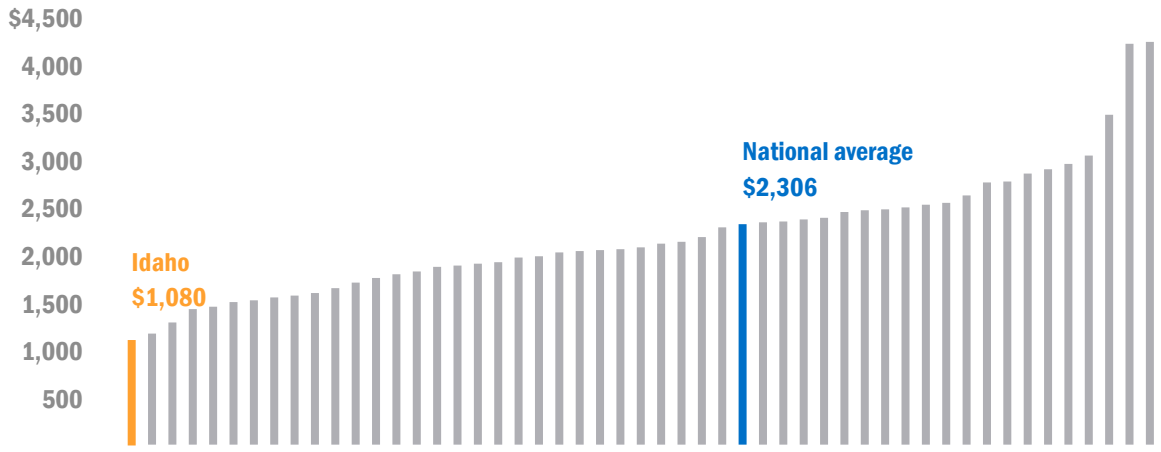
Boise High School of Boise Independent School District

Idaho spent the least per student and the second least per gross square foot on buildings in 2020, compared with other states.

Comparing total school building expenditures across states is misleading due to differences between states in the number of students and square footage of school buildings. As such, we used two methods to compare expenditures on school buildings: 1) on a per-pupil basis, and 2) on a per-gross square foot basis. Per-pupil expenditures control for differences in student populations between states, while a per-gross square foot basis controls for differences in the number of buildings. Exhibit 25 compare Idaho to the other 49 states on school building expenditures.

Exhibit 25

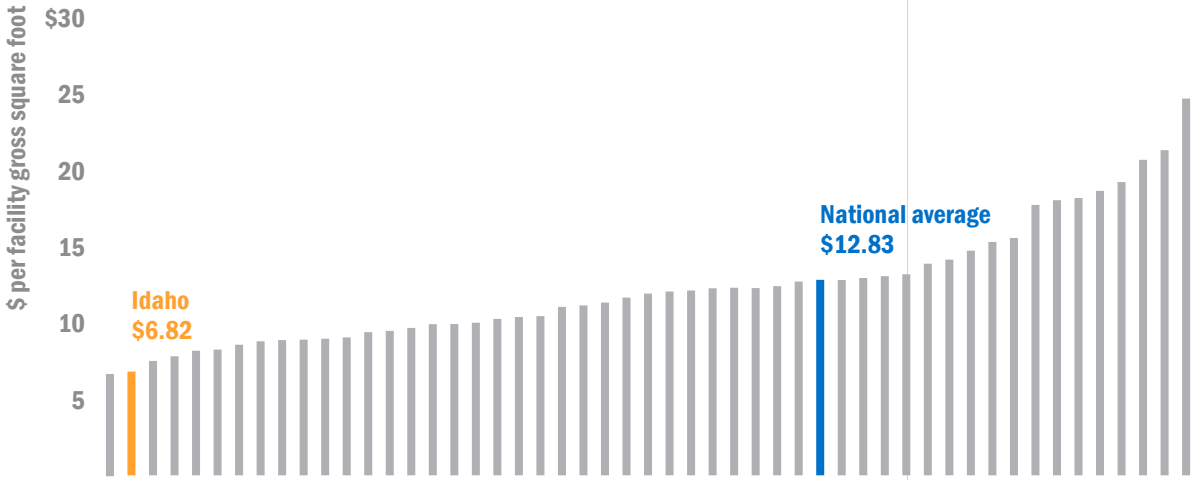
Idaho spent $1,080 per student on school buildings in 2020, which is less than half of the national average of $2,306.



Source: National Council on School Facilities and Department of Education data.

Exhibit 26

Idaho spent the second least of all 50 states on school buildings per gross square foot.



Source: National Council on School Facilities and Department of Education data.

Idaho spent $1,080 per student on school buildings in 2020. The national average over a similar period was $2,306 per student. Of all 50 states, Idaho spent the least per student on buildings.

In 2020, Idaho spent $6.82 per gross square foot of school buildings. The only state to spend less per square foot was Tennessee at $6.78 per gross square foot. The national average expenditure was $12.83 per gross square foot.

Idaho is not the only state that is struggling to fund its school buildings. According to NCSF data and standards, all states are spending an inadequate amount on school buildings annually.[10] Nationally, states underfund maintenance and operations at school buildings by $27.6 billion per year and capital projects by $57.4 billion per year.

According to NCSF data, Idaho is not the only state that struggles to fund its school buildings.

10. *2021 State of Our Schools: America's PK-12 Public School Facilities*, National Council on School Facilities (2021).

Idaho ranks last among its neighbors in school building spending.

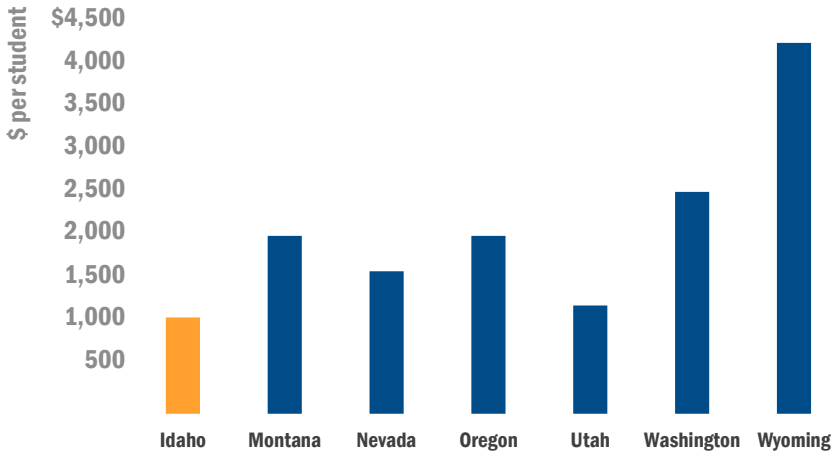
Idaho spends less on school buildings annually than any neighboring state, by both a per student and per building gross square feet metric.

Comparing Idaho to states nationwide does not account for regional differences in cost of living and construction cost variances. Looking at neighboring states of Idaho gives a better perspective on school building funding.

Idaho spends less on school buildings annually than any neighboring state. Idaho ranks last among neighboring states by both per-student and per-gross square foot, as exhibits 27 and 28 show.

Exhibit 27

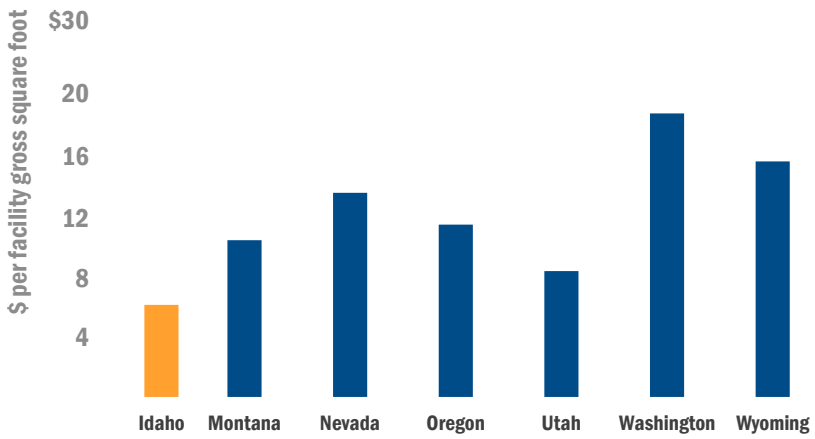
Idaho spends less per student on school buildings than all neighboring states.



Source: National Council on School Facilities and Department of Education Data.

Exhibit 28

Idaho spends less per square foot of school buildings than all neighboring states.



Source: National Council on School Facilities and Department of Education Data.

A classroom in Edgemont Elementary School of Idaho Falls School District

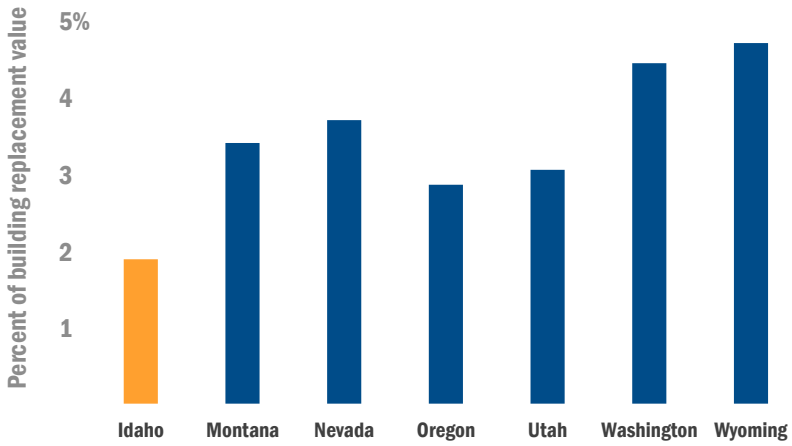
All neighboring states spend below NCSF's recommended 7% of building replacement value.

In addition to spending less than neighboring states on school buildings on a per-student and per-gross foot basis, Idaho also spends the least as a percentage of the replacement value of buildings.

All neighboring states expend below NCSF's recommended seven percent of building replacement value. Exhibit 29 shows the percentage of building expenditure by replacement value for Idaho and its neighboring states.

Exhibit 29

Idaho and all neighboring states spend below NCSF's recommended 7% of building replacement value on buildings.



Source: National Council on School Facilities and Department of Education Data.

Pillar Falls Elementary School of Twin Falls School District

Districts in neighboring states have easier access to school building funds.

Except for Wyoming, the ways in which neighboring states fund and finance schools is similar to Idaho. Like Idaho, neighboring states support school buildings through a combination of local and state resources. And like Idaho, local funds are typically the main source for school building support.

Overall, our research found neighboring states primarily use bonds and local property tax dollars to fund buildings. Districts in neighboring states have more access to local funds than in Idaho due to lower voter thresholds for bonds and no vote requirements to access local property taxes.

Comparisons of school building capital funding and financing

Neighboring states primarily finance capital projects with local bonds like Idaho. However, the requirements for districts to pass bonds vary from Idaho.

School bonds in Idaho school require a two-thirds majority to pass, while every neighboring state besides Washington requires a simple majority to pass a school bond. Washington requires 60 percent of the vote to pass a bond.

In Nevada, some districts are permitted to issue school bonds without a public election, provided they receive approval from an oversight committee.

In addition to bonds, all neighboring states besides Nevada have grant programs to help districts cover the cost of capital projects. In Montana, the Quality Schools Grant Program funds district building projects by application. These projects include construction of a new school building, major repairs or deferred maintenance, major improvements or enhancements at an existing school, or information technology infrastructure.

All neighboring states besides Washington require a simple majority to pass school bonds.

In Washington, the School Construction Assistance Program provides financial aid to districts that are undertaking a major capital project. Washington also has several state grant programs to address school building deficiencies, such as the Small Rural District Modernization Grant program and the Urgent Repair Grant program.

In Oregon, the Oregon School Capital Improvement Matching Program will match up to $8 million for a district that passes a bond.

Utah has the School Buildings Program which provides money to qualifying districts for capital projects and debt services. The amount distributed to districts is determined by a district's property base tax value divided by average daily membership. Utah distributed $33 million through the School Buildings Program in 2021.

Wyoming subsidizes school buildings almost entirely at the state level. From 1998 to 2016, the state of Wyoming paid for 93 percent of all capital projects and major maintenance at districts.

Idaho does not have a grant program to assist districts with capital costs.

Idaho does not have a grant program to assist with capital costs, though it does have two programs to assist districts with capital expenses: 1) the Bond Levy Equalization Support Program, and 2) the Public School Facilities Cooperative Funding Program.

The Bond Levy Equalization Support Program provides money to qualifying school districts to help pay off debt services interest on existing bonds.

The state distributes money from the Bond Levy Equalization Support Program to districts based on their Bond Levy Equalization index value and annual bond payment. The index value is determined by a formula using a district's market value per support unit, county unemployment rate, and county per capita income in relation to state averages. Districts with an index score above 1.5 do not qualify for the program.

The Bond Levy Equalization Support Program receives a quarter of all lottery funds raised by the state annually plus additional appropriations made by the Legislature.

The Public School Facilities Cooperative Funding Program assists school districts with repairing or replacing school buildings that are unsafe by loaning funds to the district.

To be eligible for the program, the state must consider a school building unsafe under the Idaho uniform school building safety act. Additionally, the district must have failed to pass a bond to address the issue within the previous two years of submitting the application.

If the state approves a district's application, the district must hold a bond election for the amount they are slated to receive. If the bond fails to reach the two-third majority threshold, the district receives the money from the program. Districts repay funds received through the program over a period of no more than 20 years.

Only two school districts have utilized the Public School Facility Cooperative Program since its creation, Plummer-Worley in 2010 and Salmon in 2013.

Comparisons of school building maintenance and operations funding

There are strong similarities in the way districts pay for routine maintenance and operations in neighboring states. In every state there is a mix of local and state discretionary funds that pay for school building maintenance and operations.

However, all neighboring states have a maintenance and operations local property tax levy that voters do not have to approve. In Idaho, supplemental levies serve as de facto maintenance and operations local property tax levy, though they require voter approval. In Washington, the school property tax is levied by the state and redistributed to districts statewide based on a funding formula.

Two of the six neighboring states use a resource-based method of distributing state funds to districts. States with resource-based funding programs structure funding distributions around the ratio of staffing to students. Idaho uses a resource-based funding formula, with districts receiving funds per support unit.

The remaining four states use student-based funding, where states distribute funding to districts per student. In student-based funding, districts typically receive a base amount of funding per student, with additional funding available for students with higher needs.

All neighboring states have property tax levies to fund school districts that do not require voter approval.

Unlike Idaho, three neighboring states have central oversight agencies for school building conditions.

Idaho does not have a central system or oversight agency to monitor the conditions of school buildings.

Idaho does not have a central system or oversight agency to monitor the conditions of school buildings throughout the state. As previously discussed, the state could obtain this information through 10-year maintenance plans submitted to the Office of Building Safety, but few districts submit the plans and the content of the plans vary from district to district. Even when districts submit plans to the state, the state does nothing with them.

Unlike Idaho, three neighboring states have offices that monitor the condition of public school buildings and assist districts in long-term planning of their facilities. The remaining three states, Montana, Nevada, and Utah do not have oversight departments or statewide databases of school buildings.

Three neighboring states have offices that monitor the condition of public school buildings and assist with long-term facilities planning.

Wyoming

In Wyoming, the School Facilities Division of the State Construction Department oversees the construction, renovation, and major maintenance of public-school buildings. In addition, the Division collaborates with districts to create long-range facility plans and maintains a statewide database of information on school buildings, such as age and condition.

The Division meets with every school in the state annually to review facility plans. As well, the Division submits an annual report and a budget request to the Wyoming Legislature and Governor outlining funding for capital construction and major maintenance projects.

Washington

In Washington, the School Facilities and Organization of the Office of the Superintendent of Public Instruction aids districts in planning, constructing, and managing buildings. The Office operates Information and Condition of Schools, a web-based system that has an inventory of school buildings and their current condition.

Oregon

Oregon has the Office of School Facilities of the Oregon Department of Education to oversee school buildings. The Office provides a technical assistance program to districts, which helps districts with technical issues, such as assessing deferred maintenance of school buildings and planning capital improvements. The Office also manages a statewide database on school buildings and their condition.

6 Charter schools

Charter schools play an increasingly key role in Idaho's public K-12 system. Over the past 10 years the number of students in charter schools has nearly doubled. In 2021 there were a little under 32,000 students in the 66 active charter schools in Idaho.

Much like school district buildings, little is known about the condition of charter school buildings. Because the state created the charter school program in 1998, charter schools were not included in the 1993 statewide school facility condition assessment.

Assessing charter school buildings in the same manner as school district buildings is not appropriate for several reasons. First, many charter schools lease their building as opposed to school districts that primarily own their buildings. Second, many charter schools reside in buildings that they did not construct themselves. And third, there are virtual online-only charter schools that have no student-occupied buildings.

Even with the differences in buildings, we were able to draw some comparisons between charter school buildings and school district buildings. Overall, we found that while charter schools reported better building conditions than school districts, there are deficiencies in the availability of specialized classroom types.

Charter schools reported better building conditions than school districts.

We sent out a survey and follow-up questionnaire to charter school administrators across the state asking questions about the current and future conditions of their school buildings.

Fifty-nine of the 66 active charter schools were sent our first survey.[11] The first survey was primarily focused on the current conditions of school buildings as well as facility planning. We received responses from 28 charter schools, for a response rate of 47 percent.

We sent a follow-up questionnaire to the 28 charter schools that replied to the first survey. We received questionnaire responses from 16 charter schools. We focused the follow-up questionnaire on the future of charter school buildings as well as potential deficiencies in building design. More information on the survey and follow-up questionnaire can be found in appendix D.

We received survey responses from 28 charter schools and follow-up questionnaire responses from 16 charter schools.

11. We excluded seven charter schools from our survey because of their virtual online-only status. School districts that are online-only do not have student-occupied buildings and are outside of the scope of the study.

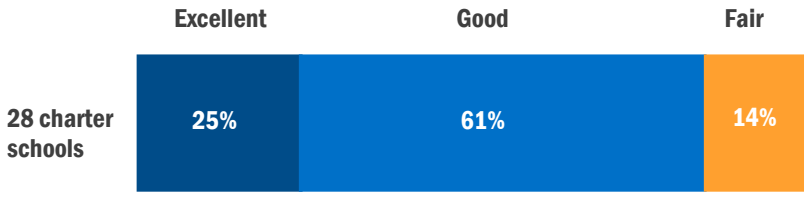
First survey: 28 charter schools

Like in the school district survey, we asked charter schools to rank the condition of their school buildings on a scale from "excellent" to "poor." We received responses from 28 of the 59 charter schools surveyed.

Most charter schools rated their building as either "good" or "excellent." No charter school rated their building as "poor." These results differed from our school district survey, in which over 60 percent of respondents rated their school buildings as "fair" or "poor". Exhibit 30 shows the responses from charter schools.

Exhibit 30

86% of charter schools in our survey rated their building condition as "excellent" or "good".



Source: Office of Performance Evaluations' charter school survey.

We asked charter schools to rank a series of statements about challenges they face maintaining and procuring buildings. We asked respondents to only rank statements that applied to their school.

Of the 28 responding charter schools, 10 ranked all five statements as a challenge. Four charter schools did not rank any of the statements as a challenge.

Overall, "keeping up with routine maintenance" was the most frequent challenge ranked, while "building purchasing, or leasing new buildings to accommodate growth" was the challenge with the most first place rankings. Exhibit 31 shows the challenges faced and rankings by charter schools.

Exhibit 31

Charter schools rated acquiring new buildings to accommodate growth their biggest challenge.

Challenge	Charter schools ranking the statement as their largest challenge	Number of charter schools ranking the statement
Building, purchasing, or leasing new buildings to accommodate growth	10	19
Keeping up with routine maintenance at buildings	7	21
Performing large maintenance or repair projects needed at buildings	5	18
Performing large improvement projects needed at buildings	2	18
Building, purchasing, or leasing new buildings to replace buildings that are past their usable lifespan	0	12

Source: Office of Performance Evaluations' survey of charter schools.

Charter schools have a need for new buildings and facilities to accommodate student growth.

The responses from the charter schools differ greatly from their school district counterparts. Replacing old schools that are past their lifespan was the most frequently top ranked challenge for school districts, whereas not a single charter school ranked the challenge as the most significant challenge. Charter schools still have a need for new buildings and facilities, but the need stems from student growth as opposed to replacing old buildings.

Follow-up questionnaire: 16 charter schools

We sent the follow-up questionnaire to the 28 charter schools that participated in the first survey. We received responses from 16 charter schools. The follow-up questionnaire focused on the future condition of buildings and the type of building currently used.

7 charter schools in the questionnaire said they did not have the physical capacity to accommodate the forecasted future student population.

10 charter schools in the questionnaire said they did not have adequate specialized instruction space.

Despite the mostly "good" and "excellent" conditions reported in the first survey, many charter schools indicated that significant maintenance or repair was needed in the near future.

Nine charter schools stated that their building would need to undergo significant maintenance or renovation over the next 10 years. Two charter schools responded that they would need to phase out or replace their building within the next 10 years.

Fourteen charter schools responded that they expect student enrollment to continue to grow over the next 10 years. For these 14 charter schools, seven said they do not have the physical capacity required to accommodate the forecasted future student population. One school indicated that they do not have enough capacity to accommodate the number of students presently enrolled.

Charter schools can face facility challenges due to the type of building used for instruction. Unlike school district buildings which are built by school districts with the intention of being used as a school, many charter schools are in buildings that were not originally intended to be used for education or in buildings they did not construct.

Ten charter schools answered that the original purpose of their building was to be a school. The remaining six charter schools are in buildings that were originally offices, retail locations, or are in portable or modular buildings.

One consequence of using ill-fitting or previously existing buildings is the lack of adequate specialized instructional spaces for students.

Ten charter schools responded that their current building does not have adequate specialized instructional spaces. Examples of the specialized instructional spaces needed from respondents include gyms, science labs, computer labs, art rooms, special education rooms, and libraries.

Idaho Code requires charter schools to allocate two percent of building replacement value on maintenance each year, but the adequacy of the requirement is unclear.

Like school districts, Idaho Code requires charter schools to allocate two percent of building replacement value toward maintenance of student-occupied buildings. Charter schools use the same formula and cost factor as school districts to determine building replacement value.

Virtual charter schools that conduct their instruction online only have no student-occupied buildings and are exempt from the two percent requirement. Charter schools that lease buildings are also exempt from the program if the lease is not a lease purchase agreement. In total, 26 of the 61 active charter schools in 2020 were not required to participate in the maintenance requirement.

The remaining 35 charter schools allocated a total of $3.3 million in building maintenance in 2020, which is above the $2.1 million they were required to allocate. Twenty-seven of the 35 charter schools allocated enough funds to meet statutory requirements. Like school districts, charter schools can carry-forward past over-allocations to make up for deficiencies in future allocations. Six of the 8 charter schools that did not allocate enough in 2020 over-allocated in prior years to make up for the deficiency.

It is difficult to gauge the adequacy of the $81.45 replacement value for charter schools. Many charter schools are in building types that were not originally intended to be utilized as schools. As such, it is difficult to produce comparative building replacement cost factors such as the ones that we used for school districts.

Despite the uncertainty on the adequacy of the 2 percent requirement for charter schools, charter schools are spending less on maintaining their buildings than school districts on a per-student and per-gross foot basis.

Charter schools allocated $3.3 million on school buildings in 2020.

For the 35 charter schools that participated in the 2 percent maintenance allocation in 2020, their total expenditure on buildings was $7.8 million.[12] This total expenditure includes routine and capital maintenance expenditures for student occupied buildings, as well as security, groundskeeping, utilities, and custodial services. Exhibit 32 shows the required maintenance allocations for charter schools along with the qualifying allocations and total allocations.

The 35 charter schools spent $6.02 per gross square foot of building space, compared to $6.82 for school districts. On a per-student basis, the 35 charter schools spent $494 per student, well below the school district expenditure of $1,080.

Exhibit 32

35 charter schools allocated $3.3 million on building maintenance in fiscal year 2020.

Charter schools are required to budget 2% of building replacement value on maintenance.

Charter school building square footage	1.3 million gross square feet
Building replacement value (base statutory cost factor)	$106 million
2020 2% required allocation	$2.1 million
2020 actual qualifying allocations	$3.3 million
2020 total building allocations	$7.8 million

Source: Office of Performance Evaluations' analysis of Department of Education financial data.

12. The $7.8 million spent by charter schools does not include costs for lease to own agreements, debt services, or money that was allocated for buildings but not spent.

The Legislature has recently created two new programs to address charter school buildings.

The mechanism to fund charter school buildings differ from that of school districts. Charter schools cannot access local property taxes, cutting off a key source of revenue that school districts use to fund school buildings. For further detail on charter school funding, see appendix F.

Charter school laws have undergone significant changes since the inception of charter schools in 1998. In our 2013 study, *Policy Differences Between Charter and Traditional Schools*, we found that between 1998 and 2013, the Legislature amended laws pertaining to charter schools 84 times.

Since our 2013 report, the Legislature has created two new programs exclusively for charter schools to address building needs: 1) a facility allowance program and 2) the Public Charter School Facilities Program.

State facility allowance program

The state began giving charter schools an annual facility allowance on a per-pupil basis in 2014. Charter schools must spend funds received through the facility allowance on procuring or maintaining school buildings. Charter schools do not need to spend funds received that year, but the funds must remain purposed for school buildings.

Prior to the facility allowance, charter schools needed to rely on discretionary funds or state match and lottery dollars to maintain their buildings. The state facility allowance program gave charter schools dedicated funding for their buildings.

The amount of funds per-pupil that the state distributes to charter schools through the program are based on the amount raised by school districts through plant facilities levies and bond redemption levies on a per-pupil basis. Charter schools receive a percentage of what school districts raise per-pupil through these levies.

Charter schools receive an allowance per-pupil from the state to address school building needs.

In 2020 charter schools received $422 per-pupil from the state for buildings needs.

When the Legislature first created the program, charter schools received 20 percent of funds raised by school districts per-pupil through plant facilities and bond redemption levies. As of 2021, charter schools receive 50 percent of funds raised by school districts per-pupil.

Charter schools received $422 per-pupil, amounting to a total of $9.9 million in facility funds from the state in 2021. Charter schools received an average of $150,000 per school.

Public Charter School Facilities Program

In 2019, the Legislature created the Public Charter School Facilities program. The program aims to reduce the cost for charter schools to finance bonds by providing state backing to bonds issued by qualifying charter schools.

The Public Charter School Facilities Programs aims to reduce the cost of financing bonds for charter schools.

To qualify for the program, a charter school must have three years of academic, operational, and financial good standing. In addition, the charter school must meet minimum operating cash reserves and the cost of the new building cannot exceed 20 percent of ongoing revenues.

If a charter school defaults on bond payments, the state will step in to cover the cost. The state will then garnish the charter school's state facility allowance funds to recoup the amount paid by the state.

Challenges in charter school building programs

In interviews with charter school stakeholders, one common theme was the timeliness and availability of the state facility allowance and Public Charter School Facilities programs for new charter schools.

Charter schools do not receive state facility allowance funds until 30 days before opening. As previously mentioned, the Public Charter School Facilities program requires three years of good standing before the charter school qualifies for the program, effectively barring a startup charter school from accessing the program.

Limiting access to the facility allowance and Public Charter School Facilities program can prove challenging to a new charter school that is trying to build or procure a school building. New charter schools must secure other funding for buildings before any state funds arrive.

In lieu of state dollars for charter school startup costs, there are federal grant dollars available to prospective charter schools. The Idaho Communities of Excellence Federal CSP Program has $22 million in available federal grant dollars for new charter schools. In addition, there are national nonprofits, such as Building Hope, which assist charter schools with the cost of building a school.

A Request for evaluation

Idaho State Senate
State Capitol
P.O. Box 83720
Boise, Idaho 83720-0081

March 5th, 2021

Joint Legislative Oversight Committee
Idaho State Capitol
700 W. Jefferson St.
Boise, Idaho 82702

Dear Joint Legislative Oversight Committee,

Public K-12 school facilities in Idaho have long been primarily funded from local property taxes. These taxes are levied by citizens passing bond levies with a 2/3 super majority vote of the local taxpayers. This worked well for many years when Idaho had slow, but stable growth, and communities that consistently gave education a high priority.

Now, the ability to fund school facilities through bonds may be breaking down. Some communities are growing so fast that they are faced with the challenge of repeatedly going back to the taxpayers for more bonding authority. Other, often rural, communities with no or slow growth have very aged school facilities. Since 2006, significant and growing supplemental and plant facilities levies, have created voter fatigue and many communities struggle to pass a bond. Many communities also have multiple options where students can attend school (public, public charters or private), a situation which may dilute the communities' ability to pass a bond. Finally, citizens' tolerance for increased property taxes statewide is very low.

To help the legislature understand the nature and extent of the issues stated above, and to identify potential policy options, we propose that OPE research the following questions:

1. What is the scope of the problem?
    a. Survey the school districts and charter schools to understand from their perspective the biggest barriers and challenges to adequately funding school facilities.
    b. Review the kinds of facility planning and budgeting practices the school districts and charters employ.
    c. Survey the school districts and charter schools concerning the age and replacement needs of their existing buildings, including forecasts for needed

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new or remodeled schools over short, medium, and long-term planning horizons.

d. To the extent possible, and given the availability of data, estimate on a state-wide summary level, the size of any gap between current and future facility needs, the magnitude of the cost of filling the gap, and the financial ability of the communities to address those needs.

2. To what degree do local supplemental levies tend to crowd out the ability of a district to pass a bond?
3. What funding mechanisms in Idaho might be used for facilities funding?
4. What strategies or best practices do other states use to efficiently design and fund facilities and would those strategies be effective in Idaho?

Thank you for your consideration.

Sincerely,

Senator Steven Thayn
Chair, Senate Education Committee

Senator Chuck Winder
President Pro Tempore

Senator Janie Ward-Engelking
Senate Minority Caucus Chair

Senator Lori Den Hartog
Chair, Senate Transportation Committee

Senator Carl Crabtree
Vice Chair, Senate Education Committee

Senator Jim Woodward
Vice Chair, Senate Transportation Committee

Senator David Nelson

Senator Dave Lent

Senator Kevin Cook

Senator Dan Johnson

B Evaluation scope

To help the Legislature understand the nature and extent of the issues with funding, maintaining, and building K-12 school facilities and identify potential policy options, this evaluation will focus on three primary objectives:

1. Analyze the funding sources that are available to districts and charter schools for facility maintenance, replacement, or for building additional facilities

    Study the degree to which districts and charter schools have used those funding sources (e.g., supplemental levies, plant facility levies, and bonded debt including the cost of debt service)

    Identify major limitations, shortcomings, or barriers districts and charter schools have encountered with available funding sources

2. Determine and describe the nature and scale of the problems that districts face in current school facility conditions and the need for additional facilities

    Collect information such as the age, condition, and replacement needs of public school facilities, as well as the need for additional facilities

    Work with districts and charter schools through surveys and other outreach methods

3. Identify strategies and best practices that are used in other states to meet K-12 facility needs like those in Idaho

Methodology

C

This evaluation was designed to look at the current conditions of public school buildings in the state and the method and means to maintain them.

The evaluation approach relied heavily on financial data provided by the Department of Education and surveys sent out to school districts and charter schools. In addition, we interviewed key stakeholders within the public education system in Idaho.

Surveys

We sent out a survey and follow-up questionnaire to district superintendents and charter school administrators asking questions on the status of school facilities and budgeting and planning practices.

We used the information learned from the surveys to estimate the deficiencies of school facilities at the participating district and charter schools.

As well, the surveys helped us identify sources of revenue districts and charter schools rely on when maintaining their facilities.

More information on the surveys can be found in appendix D.

Literature and data review

The State Department of Education provided us with financial information on school district and charter school facility expenditures.

The Office of School Safety and Security of the State Board of Education provided 10- and 5-year maintenance plans that were submitted by school districts to the state.

Several state and national organizations have produced studies, reports, and recommendations on best practices to maintaining facilities. We reviewed these studies to determine the effectiveness of current state requirements placed on school districts and charter schools maintaining facilities.

To calculate upgrade costs and building depreciation we used software from RSMeans Online. Data from RSMeans was used to calculate the estimated building replacement cost of schools statewide in Idaho.[13]

Interviews

We interviewed the following stakeholders about public school facilities in Idaho:

- Legislators
- staff at the Idaho Department of Education
- staff at the Idaho Office of School Safety and Security
- staff at the Idaho Public Charter School Commission
- staff at the Idaho School Board Association

In addition, we met with private organizations that deal with the building and support of school facilities, such as BLUUM and Gordian.

13. RSMeans Online is a tool to estimate construction costs for buildings based on locations and building type. RSMeans Online is owned by The Gordian Group.

Building replacement cost factors

In the report we use three alternative cost factors to calculate the replacement cost of school buildings. The cost factors and their definitions are listed below.

Statutory cost factor adjusted to 2020 costs

The last alternative cost factor adjusts the statutory cost factor of $81.45 to 2020 school building construction costs. The cost factor is adjusted using the US Bureau of Labor Statistics' Producer Price Index for new school construction. This index measures the increase in output prices for new school construction. Taking the statutory cost factor, $81.45 set in 2008 and adjusting it to 2020 school construction cost yields a cost factor of $120.45 per gross square foot.

Raw building cost factor

RSMeans provides raw building construction cost estimates based on location and building type. These estimates include the entirety of a building, such as a building's foundation, interior, and mechanical systems, and are on a per square foot basis. RSMeans cost estimates do not include off-site work or school furnishings like lockers or bleachers.

The RSMeans 2020 per-square foot cost factor value is $181.94. This number was derived by averaging the cost of construction for each school building type (elementary, middle school/junior high, and high school) across the six different RSMeans regions in Idaho (Boise, Coeur d'Alene, Idaho Falls, Lewiston, Pocatello, and Twin Falls).

Full replacement cost factor

In 2021, the National Council on School Facilities (NCSF) released *2021 State of Our Schools*. The report gave estimates for school construction costs for each state on a square foot basis. For Idaho, NCSF estimated that the 2020 school construction cost factor was $350 per gross square foot. The estimate from NCSF was derived by surveying states on the total cost of new school construction. This estimate from NCSF includes more than just raw construction costs of the school building, such as offsite work like access roads, water, electricity, and sewage.

D Surveys

School district surveys

First survey

All 115 districts were sent the first survey. We received responses from 77 of the districts, for a response rate of 67 percent. The surveys were sent to the district superintendent of each district.

In the survey, districts were asked about the conditions of buildings by school type. Districts were asked about what building challenges they face and what source of revenue they use to address buildings needs. As well, districts were asked how frequently they conduct facility condition assessments and who conducts the assessments.

Follow-up questionnaire

A follow-up questionnaire was sent out to 12 districts across the state. These districts participated in the first survey and were selected based on their location and National Center for Education Statistics' (NCES) classifications. NCES classifies districts as city, suburban, town, and rural. The districts that participated in the follow-up questionnaire are listed in exhibit 33.

Two districts each were selected from Idaho's six education regions. Additionally, more rural and town school districts were selected over city and suburb districts to reflect the distribution of school district classifications in the state.

In the follow-up questionnaire, districts were asked about the building conditions at each individual school in their district. They were also asked to forecast the future condition of their school buildings and how many of them would need to undergo maintenance or replacement.

Exhibit 33

Districts that participated in the follow-up questionnaire.

District	Education region	NCES classification
Post Falls	1	Suburb
Lakeland	1	Rural
Moscow	2	Town
Nezperce	2	Rural
Mountain Home	3	Rural
Basin	3	Rural
Jerome Joint	4	Town
Buhl Joint	4	Rural
Marsh Valley Joint	5	Rural
Oneida County	5	Rural
Blackfoot	6	Town
Idaho Falls	6	City

Charter school surveys

First survey

The first survey was sent to administrators of 59 of the 66 active charter schools in 2021. We excluded 7 charter schools from the survey that were virtual, online only, with no student-occupied buildings. We received responses from 28 charter schools for a response rate of 47 percent.

In the survey, charter schools were asked about the condition of their student-occupied buildings. Charter schools were asked about what building challenges they face and what source of revenue they use to address buildings needs.

Follow-up questionnaire

The follow-up questionnaire was sent out to the 28 charter schools that participated in the first survey. We received responses from 16 charter school for a response rate of 57 percent.

In the follow-up questionnaire, charter schools were asked about the projected future condition of student-occupied buildings and any future building needs. In addition, charter schools were asked about the original purpose of their school building and whether they have adequate specialized instructional spaces.

Survey Definitions

In our surveys and follow-up questionnaire we provided definitions to serve as a guide for respondents. The definitions we provided for school conditions and other terms are listed below.

Exhibit 34

School building condition definitions.

Rating	Definition
Excellent	The school's facilities meet all the reasonable needs for normal school performance and go above and beyond. Some parts of the facilities may need relatively minor enhancements but most are in excellent condition.
Good	The school's facilities meet all the reasonable needs for normal school performance. Some parts of the facilities may be in excellent condition while other parts require minor maintenance.
Fair	The school's facilities meet minimal needs for normal school performance but require frequent maintenance or have other limitations. Some upgrades would be required for facilities to be considered in good condition.
Poor	The school's facilities are inadequate to meet minimal requirements for normal school performance. Facilities would require major upgrades or repairs to be considered in good condition.

Facility condition assessment – A systematic inspection of facilities using a standardized method for recording observations.

Deferred maintenance – Maintenance that was not performed when it should have been or was scheduled to be and which was put off or delayed for a future period.[14]

14. *K-12 Education: School District Frequently Identified Multiple Building Systems Needing Updates or Replacement,* United States Government Accountability Office (2020).

E School upgrade cost calculation

RSMeans data was used to calculate the replacement value of buildings. RSMeans provides new school construction cost estimates based on construction location and school building type. RSMeans estimates covers the cost of construction, such as a building's foundation, interior, and mechanical systems, and presents estimates on a per square foot basis. The cost estimates include costs for equipment, material, and labor.

The assumptions for the RSMeans data and the cost per gross square foot of school is listed in exhibits 35 and 36.

Exhibit 35

RSMeans estimates base assumptions.

RSMeans building type	Building square footage	RSMeans building parameters
Elementary school	46,000	One story Face brick w/ concrete block w/ bearing walls Open labor 2020 Q3 estimates
Junior high school	86,000	Two story Face brick w/ concrete block w/ bearing walls Open labor 2020 Q3 estimates
High school	117,000	Two story with basement Face brick concrete block/ reinforced concrete Open labor 2020 Q3 estimates

Exhibit 36

RSMeans regional school construction cost estimates per gross square foot.

Region	Elementary	Middle school/ junior high	High school
Coeur d'Alene	$181.56	$185.92	$206.59
Lewiston	$184.81	$188.91	$210.01
Boise	$167.23	$171.96	$192.91
Twin Falls	$166.99	$172.44	$193.03
Pocatello	$166.30	$171.64	$192.72
Idaho Falls	$163.96	$169.02	$188.86

We used Government Accountability Office (GAO) building condition ratings to assign a numerical score for facilities based on survey responses. The building condition ratings are out of 1, which would represent a "perfect" condition at a building.

The building condition ratings are assigned a range of scores based on GAO ratings, including a low, medium, and high bound. For the report we used the medium bound rating as the default rating. Exhibit 37 has the bound threshold for each rating.

Exhibit 37

Building condition score bounds.

Survey rating	Low bound	Medium bound	High bound
Excellent	0.95	0.975	1.00
Good	0.90	0.925	0.949
Fair	0.60	0.75	0.89
Poor	0.30	0.45	0.59

Formulas

Replacement value calculations: square footage of school type in district multiplied by the cost of construction per square foot for school type and region.

Cost to get to perfect calculation: (square footage of school type per district*(1-rating for school type))*cost of construction per square foot for school type and region.

For example: Hansen school district rated all elementary schools as "Good," which equates to a rating of 0.925 for the medium bound.

Hansen is in region 4, which has a construction cost of $166.99 per GSF for elementary schools. There are 38,640 square feet of elementary schools in the district.

38,640*(1-0.925)=2,898 square feet that need to be "updated". 2,898*$166.99=$483,937

Cost to get to good calculation: (square footage of school type per district*(good rating - rating for school type))*cost of construction per square foot for school type and region.

For example: West Bonner school district rated all elementary schools as "Fair," which equates to a rating of 0.75 for the medium bound.

West Bonner is in region 1, which has a construction cost of $181.56 per GSF for elementary schools. There are 92,500 square feet of elementary schools in the district.

92,500*(0.925-0.75)=16,188 square feet that need to be "updated". 16,188*$181.56=$2,939,093

First survey condition results

The first survey included responses from 77 districts. The cost to upgrade facilities at the 77 districts are listed in exhibits 38 and 39.

Exhibit 38

Cost to get all schools up to "perfect" condition.

Survey rating	Low bound	Medium bound	High bound
Elementary school	$ 651,829,269	$ 429,578,813	$221,328,305
Middle school/ junior high	$ 422,587,550	$ 272,119,271	$131,338,062
High school	$ 895,028,120	$ 600,152,947	$323,910,739
TOTAL	$1,969,444,939	$1,301,851,031	$676,577,106

Exhibit 39

Cost to get all schools up to "good" condition.

Survey rating	Low bound	Medium bound	High bound
Elementary school	$ 432,176,115	$267,025,191	$113,765,134
Middle school/ junior high	$ 296,505,067	$178,789,430	$ 69,549,319
High school	$ 624,990,703	$401,533,352	$194,164,929
TOTAL	$1,353,671,885	$847,347,973	$377,479,382

F Building funding and financing

There is a difference between funding and financing. Accordingly, there is an important difference between levies and bonds. Levies are a form of funding used to pay for regular maintenance, repair, and operations, including salaries, equipment, and utilities, for near-term facility "operating" expenses.

Bonds are used for "capital", or asset, expenses. A bond issue is a form of financing, or borrowing, that is typically used only for facility capital costs — normally building construction and/or major renovations. Bonds are loans that are repaid over a much longer period of years, or decades.

School district facilities

Schools are funded by a combination of state and local sources. Idaho provides state funds to districts for facility maintenance, while capital projects for facilities are funded and financed at the local level.

Districts can raise local funds for facility maintenance through the use of temporary property tax levies, such as a supplemental levy or a plant facility levy.

Local property tax revenue for facilities

In fiscal year 2020, districts raised approximately $615 million from property taxes that may go toward maintaining or building new facilities. There are two distinct types of funds raised: funds that are dedicated to be spent on facilities and discretionary funds.

Dedicated facility funds

Of the $615 million raised through property taxes, $268 million is specifically earmarked for school buildings.

Bond redemption levies raised $211 million. Bonds are used to build, remodel, or conduct major repair of school buildings. The funds raised by bond redemption levies go toward paying off the

principal and interest of existing bonds. This money has, in effect, already been spent by the time the funds are raised.

Plant facilities levies raised $57 million. Plant facilities levies are used for the same purpose as a bond: to construct, remodel, or repair school buildings. Remodel projects using plant facilities levy funds must exceed $5,000.

Discretionary funds

The majority of funds raised from property taxes, $347 million, are discretionary funds that school districts can elect to use on facilities though they are not required to be spent on facilities.

Supplemental levies, which must be approved by a majority of voters within a school district, constitute $214 million of the $347 million discretionary funds.

Emergency levies, budget stabilization levies, and charter school district levies make up the remaining sources for local property tax discretionary funds.

Special property tax exceptions

Five districts have special property tax exceptions that allow them to continue to collect a local maintenance and operations levy without the need for voter approval.

One school district, the Boise Independent District, is permitted to collect a maintenance and operations levy due to its status as a charter district. Charter districts are districts that preceded Idaho's statehood. Charter districts with provisions in their charter that state the district can collect local property taxes were permitted to keep collecting property taxes after the elimination of the maintenance and operations property tax levy in 2006.

The other four districts, Blaine County, McCall-Donnelly Joint, Avery, and Swan Valley Elementary were permitted to keep a maintenance and operations property tax levy due to the expected loss of revenue from the transition in school funding in 2006.

Idaho Code 33-802(5) allows for school districts to make a supplemental levy permanent provided they meet specific requirements. If a levy is continuously approved for a period of at least 7 years, and provided the supplemental levy covers at least 20% of the general maintenance and operations fund, a district may have an election to make the supplemental levy permanent.

There are five districts with a permanent supplemental levy: Boise Independent, Blaine County, Moscow, Lewiston Independent, and Mullan School District.

State funds for school buildings

In fiscal year 2020, the state gave school districts a total of $452 million that can be spent on school facilities. Like local property tax revenue, some of the funds are mandated to be spent on maintaining facilities while other funds can be spent on facilities at the school district's discretion.

State dedicated facility funds

The state gives money to school districts for facilities from three different sources: state lottery funds, state match funds, and the Bond Levy Equalization Support Program.

Schools receive 3/8ths of lottery funds raised by the state annually. Lottery funds are distributed to school districts based on per-pupil basis. In 2020, districts received $21 million in lottery funds. Lottery funds must be used to cover the cost of maintenance and repairs in student occupied buildings.

Since 2006, the state has supplemented lottery dollars with state match dollars. These dollars go to districts that do not receive an adequate amount of lottery dollars based on a district's replacement value and Bond Levy Equalization index value.

The Bond Levy Equalization Support Program gives money to school districts to help pay off bond principal interest. Money is given to school districts based on their Bond Levy Equalization index value and their annual bond interest payment. The Bond Levy Equalization Support Program receives ¼ of all lottery funds raised by the state annually.

State discretionary funds

The state allocates discretionary funds to each school district based on the number of support units per district. The amount allotted is based on the projected amount of remaining K-12 funds after the Department of Education pays for statutory and non-statutory expenses.

In years past if the remaining funds for the Department of Education were not at the level projected, the Department was permitted to access the Public Education Stabilization Fund to ensure that discretionary funds distributed to school districts was what was projected in the beginning of the year. In 2021, the Legislature passed a bill limiting access the Public Education Stabilization Fund until the start of the 2024 fiscal year.

In fiscal year 2020, the state distributed $405 million in discretionary funds to districts. There were an estimated 14,236 support units in the districts and each support unit received $28,416.

The discretionary funds received from the state can be spent on facilities, but districts are not mandated to spend the funds in any way.

Public School Facilities Cooperative Funding Program

In addition to the state funds given annually to school districts, there is the Public School Facilities Cooperative Funding Program. Created in 2006, the program assists districts with repairing or replacing school buildings that are unsafe by loaning funds to the district.

To be eligible for the program, a school building must be considered unsafe under the Idaho uniform school building safety act. Additionally, the district must have failed to pass a bond to address the issue within the previous two years of submitting the application.

If the application is approved, districts must propose the amount they are slated to receive as a bond to be voted on. If the bond fails, the district receives the money which will be repaid over a period of no more than 20 years.

Only two districts have utilized the Public School Facility Cooperative Program since its creation, most recently in 2013.

Federal funds for school buildings

The Secure Rural Schools Act gives Idaho counties containing federal lands payments in lieu of taxes from the federal government. The federal funds received are used to fund schools and roads.

Idaho Code 57-1303 mandates that 30 percent of funds received by counties must be allocated to that county's school districts on a per-pupil basis. Districts may use the funds for construction or remodeling of school buildings if needed, though the funds can be spent on current expenses if no new schools or remodeling of schools is needed. The remaining 70 percent of funds received by the counties is spent on roads.

In fiscal year 2020, 35 counties received a total of $19.3 million from the Secure Rural Schools Act. Of that, an estimated $5.8 million went toward schools.

The Secure Rural Schools Act is not a guaranteed source of revenue for districts. The amount received from the program is subject to the availability of federal funds. In 2008 the Legislature passed HB 532 which would provide state funds to districts in years where there were no Secure Rural School Act dollars. HB 532 sunset in July 2012. Exhibits 40 and 41 have the different sources of revenue districts can use to fund buildings.

Exhibit 40

Local property tax revenue school districts can use to fund buildings.

Fund	Purpose	Requirements	Limit	2020 total distribution
Supplemental Levy	Used for maintenance and operations, at the discretion of school districts.	Over 50% of voters must approve the levy.	No limit.	$213,985,255
Plant Facilities Levy	Capital projects, used to improve property owned and operated by school districts.	55% to 66.7% of voters must approve, depending on the levy limit. Projects using plant facilities funds must be over $5,000.	Levy limit of up to 0.4% of assessed market value with two-thirds approval	$ 57,196,217
Maintenance and Operations Stabilization Levy	Used for maintenance and operations, at the discretion of school districts.	School district must have lost revenue from the 2006 change in school district funding, four school districts were permitted to have a maintenance and operations stabilization levy.	Limit set in 2006 for each school district.	$ 35,431,084
Charter District Maintenance and Operations Levy	Used for maintenance and operations, at the discretion of school districts.	School district must be a charter district, and the levy must have been authorized by a majority of voters after the 2006 funding change. Only one school district has a charter district levy.	Governed by school district charter.	$ 84,635,481
Emergency Levy	Used for maintenance and operations, at the discretion of school districts.	School district must have an increase in average daily attendance over prior year.	Levy limit of 0.06% of assessed market value.	$ 12,758,199
Bond redemption levy	Used to pay off a bond principal and interest. Bonds are used to purchase, acquire, improve, build, or furnish a school facility.	Over two-thirds majority of voters must approve of a bond for it to be issued. After the issuance of a bond the bond redemption levy is formed.	Bond limit of 5% of market value for elementary districts, 2% for all other districts.	$210,992,693

Exhibit 41

State and federal sources of revenue school districts can use to fund buildings.

Fund	Purpose	Requirements	Limit	2020 total distribution
State discretionary funds	Used for maintenance and operations, at the discretion of school districts.	All school districts receive an amount of discretionary funds per support unit.	Amount is determined by left over department of education budget and the number of support units.	$404,517,105
State lottery funds	Must be used for student-occupied facility maintenance.	All school districts receive an amount of lottery funds per pupil.	3/8ths of the lottery funds received by the state, distributed to charter schools and districts on a per-pupil basis.	$ 21,009,419
State match	Must be used for student-occupied facility maintenance.	Given to school districts who do not receive a minimum amount of lottery funds, based on a formula using the Bond Levy Equalization Support Program index score.	Districts receive the difference between lottery funds received and minimum amount of lottery funds required.	$ 2,321,679
Bond Levy Equalization Support Program	Helps school districts pay off debt service on a bond.	School district must have an active bond and an index score below 1.5. Index score is based on the district's unemployment rate, per capita income, and market value per support unit in relation to state averages. Thirteen school districts have a Bond Levy Equalization Index score above 1.5 and do not qualify for the program.	If a district's index score is lower than 1, the district receives the larger of 10% of the annual interest payment or the qualifying percentage of the total annual bond payment. If a district's index score is between 1 and 1.5, the district receives 10% of the annual interest payment.	$ 24,536,676
Secure Rural Schools Act (Federal Forest Funds)	Schools may use the funds for construction or remodeling of school districts if needed, can be spent on current expenses if no new schools or remodeling of schools is needed.	Federal funds distributed to the state for payments in lieu of taxes. Idaho Code mandates that 30% of funds received by counties go toward schools with the remaining 70% going toward roads.	Based on federal distribution.	$ 5,700,000

Charter school facilities

Charter schools do not have access to local property taxes. Funding for charter school facilities must come from the state or outside sources, such as private loans, bonds, or grants.

Charter schools have access to many of the same state facility funds as school districts do, namely discretionary funds, lottery funds, and state match dollars. In addition, charter schools receive an allowance per-pupil that must be spent on facilities.

Exhibit 42

Sources of revenue charter schools can use to fund school buildings.

Fund	Purpose	Requirements	Limit	2020 total distribution
State discretionary funds	Used for maintenance and operations, at the discretion of charter schools.	All charter schools receive an amount of discretionary funds per support unit.	Amount is determined by left over department of education budget and the number of support units.	$ 42,533,921
State lottery funds	Must be used for student -occupied facility maintenance, charter schools with leased facilities may use the funds for the purpose of a bond.	All charter schools receive an amount of lottery funds per-pupil.	3/8ths of the lottery funds received by the state, distributed to charter schools and districts on a per-pupil basis.	$ 1,817,285
State match	Must be used for student -occupied facility maintenance.	Given to charter schools who do not receive a minimum required amount of lottery funds, based on a formula using the Bond Levy Equalization Support Program index score. Charter schools that lease their building or are virtual, do not receive state match funds.	Charter schools receive the difference between lottery funds received and minimum amount of lottery funds required.	$ 0
State facility allowance	Helps charter schools fund maintenance at their facilities or lease properties.	All charter schools receive the allowance.	Amount distributed set by state formula. Formula is based on the total amount raised by school districts statewide on bond redemption levies and plant facilities levies per-pupil. Charter schools receive a percentage of funds raised per-pupil.	$ 9,907,085

Responses to the evaluation

Idaho's education system is the lifeblood of our economy and continued success. It is important that policymakers have a firm understanding of the state of the system and the numerous buildings and facilities that support it.

—Brad Little, Governor

The recommendation for a Facilities Condition Assessment (FCA) to be used in evaluating and determining the district, charter, and school building needs moving forward will be critically important.

—Sherri Ybarra,
Superintendent of Public Instruction

BRAD LITTLE
GOVERNOR

January 27, 2022

Rakesh Mohan, Director
Office of Performance Evaluations
954 W. Jefferson St., Ste. 202
Boise, ID 83720

Dear Director Mohan,

I want to thank you and the Office of Performance Evaluations on your thorough report regarding K-12 public school buildings. Idaho's education system is the lifeblood of our economy and continued success. It is important that policymakers have a firm understanding of the state of the system and the numerous buildings and facilities that support it.

As Idaho continues to grow, it is critical we provide the support needed to maintain a high-quality education system. The record investments we are making in education, including committing a significant amount of funding toward deferred maintenance in our schools, will go a long way to address the need.

Thank you again to you and your team for providing a thorough report. This data will be a tool for lawmakers and me to make the most informed decisions possible on this important issue.

Sincerely,

Brad Little
Governor of Idaho

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January 26, 2022

Rakesh Mohan, Director
Office of Performance Evaluations
Idaho Legislature
954 W. Jefferson St., Ste. 202
Boise, ID 83720
Email: rmohan@ope.idaho.gov

Dear Director Mohan,

Thank you for sharing the results of the K-12 Public School Building Report. I found it to be very informative and timely. You and your staff are to be commended for a fair and thorough analysis of education facilities in Idaho. The issues surrounding school facilities are of great concern across the state, especially in our rural communities.

I also appreciated the distinction made between Idaho and other states when comparing school facilities and the issues surrounding this topic. Additionally, the recommendation for a Facilities Condition Assessment (FCA) to be used in evaluating and determining the district, charter, and school building needs moving forward will be critically important. I would request that my staff be included in any plans or actions regarding the creation and usage of an FCA, as improving the learning environment and safety for the students of Idaho is of great interest and concern to me and my team.

Thanks again for your work on behalf of Idaho school and students and for including me in a review of the report. If you should have any comments or questions for me or my staff, please don't hesitate to contact us.

Sincerely,

Sherri A. Ybarra

Sherri A. Ybarra, Ed.S.
Superintendent of Public Instruction

Office of Performance Evaluations

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Idaho Legislature